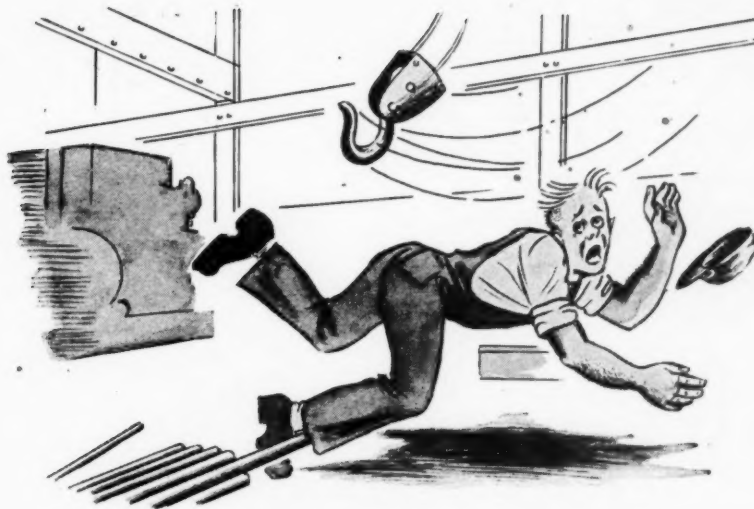


# The NATIONAL UNDERWRITER



## BOOBY TRAPS ON THE HOME FRONT!

### *In the American Auto Manner*

To the buyers of insurance, the competent advice and personal services of an accredited Agent or Broker are considerations of paramount importance.

The accredited Agent or Broker counts it his first responsibility to determine that the insurance company he represents can and will faithfully discharge its policy obligations promptly, fairly, and cheerfully at all times.

American Auto is represented by accredited Agents and Brokers throughout the United States and Canada because it has the stability of position, the character of personnel, and a record of performance which commend its protective services to insurance men and insurance buyers everywhere.

There are hidden dangers, potential causes of serious accidents in every plant and every industrial activity. It is the job of the Safety Engineer to detect such "booby traps" and to devise measures to eliminate them.

Safety Engineering Service "In the American Auto Manner" goes far beyond mere inspection, and becomes a continuous, scientific method of accident hazard analysis based on the experience and knowledge of experts in this field. It is a practical and specific program of accident prevention that brings positive results.

American Auto safety plans are flexible — no rigid formula is ever used. New ideas are initiated as changing conditions and equipment create new accident hazards. This "hand tooled" service performed by "Your Partner in Safety" is available only to clients of American Auto Agents and Brokers.

*"Your Partner in Safety"*



### NATIONWIDE BRANCH OFFICE FACILITIES

Atlanta • Baltimore • Boston • Chicago • Cincinnati • Cleveland • Des Moines • Detroit • Indianapolis • Kansas City • Los Angeles  
Milwaukee • Minneapolis • New Orleans • New York • Philadelphia • Pittsburgh • Portland • St. Louis • San Francisco • Seattle

BROADEST FORM COMPREHENSIVE CONTRACTS—AUTOMOBILE AND GENERAL CASUALTY

THURSDAY, SEPTEMBER 7, 1944



## WARNING!

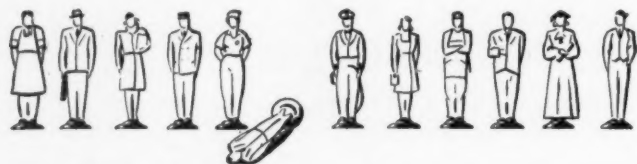
...he's breaking loose again

Look who's on the rampage again—our old enemy, the Fire Demon. Last year fire destroyed more than 380 million dollars worth of property, a higher toll than in any year since 1932.

Let's put the Fire Demon back in his chains where he belongs. Confine him! Make it impossible for him to ravage our country—block our war production program by destroying factories, homes and lives.

You yourself can help weld together the broken links that are letting the Fire Demon loose. You can do it by the thoughtful application of common sense fire-prevention methods in your home and place of business. If you want helpful fire-prevention information, write the National Board of Fire Underwriters, 85 John Street, New York 7, N.Y., and specify the type of property you want to protect. And consult your insurance agent or broker.

Above all make certain of the adequacy of your fire insurance in these days of increased values.



Will YOU be THE ONE out of twelve?

Think of twelve people you know, including yourself. Chances are that within the coming year one out of the twelve will be disabled, temporarily or permanently, due to accidental injuries. You can face the statistics with more peace of mind if you're insured under a

Hartford "Fashioned" Accident policy. It contains a schedule of many coverages—from which you select the ones best fitted to your needs, your occupation and your circumstances. It's a new kind of accident policy, tailor-made to your requirements.

## Speaking of "Hemispheric Security"

Hartford Residence and Outside Theft insurance covers the luggage you'd carry to travel in Brazil, or the War Bond left at home in Michigan! Protects against robbery, theft or mysterious disappearance in trains, buses, taxicabs, automobiles, hotel rooms, temporary dwelling — anywhere in the western hemisphere.



## Looking for a Bright Future?

For the individual who wants to "make a name for himself" . . . insurance offers exceptional rewards to those who bring to it integrity, imagination, the ability to think straight and a willingness to work hard. Such individuals can and do progress and prosper and command the respect of the communities they serve.

## Any changes in your insurance needs —since December 7, 1941?

Few indeed have escaped decided changes in their mode of living and the value of their properties since Pearl Harbor. Insurance needs have likewise changed—ask your Hartford agent or broker to survey your insurance hazards, check them against your present insurance and recommend changes and additions necessary to fit your protection to present day conditions.



## Right! He wants you to write

This is to remind you of the letter you've been intending to write to that service man—the boy who worked with you who's now flying from a bomber base in Britain on cross channel missions—the neighbor's boy now getting tossed around in a destroyer. Maybe there are three or four letters you "just haven't gotten around to." How about writing them now?

## What's back of the Hartford Stag?

Back of the Hartford Stag on your insurance policy is a 134-year record of financial strength, a well-earned reputation for prompt, fair payment on all just claims. Many generations of Americans have safely put their confidence in this familiar symbol of sound protection.



# HARTFORD INSURANCE

Hartford Fire Insurance Company  
Hartford Accident and Indemnity Company  
Hartford Live Stock Insurance Company  
Hartford, Connecticut

Writing practically all forms of insurance except personal life insurance

You Know  
A guy named Joe-

You know a guy named Joe.  
He's driving hard — day by  
day — giving all he has to  
smash the enemy.

He's not asking you to buy  
bonds — he's too busy.

BUT he expects you to buy  
bonds — and what's more he  
expects you to keep them —  
WHY NOT?

FIRE · MARINE · CASUALTY · SURETY  
*Loyalty Group*  
INSURANCE

HOME OFFICE 18 PARK PLACE - NEWARK 1, NEW JERSEY

Western Department  
120 So. LaSalle St.  
Chicago 3, Illinois

Foreign Department  
111 John St.  
New York 7, New York

Canadian Departments  
445 Bay St., Toronto, Ontario  
404 West Hastings St., Vancouver, B. C.

Southwestern Dept.  
912 Commerce St.  
Dallas 1, Texas

Pacific Department  
220 Bush St.  
San Francisco 6, Calif.

Firemen's Insurance Company of Newark, N. J.  
Organized 1855

The Girard Fire & Marine Insurance Company  
Organized 1853

National-Ben Franklin Fire Insurance Company  
Organized 1866

The Concordia Fire Insurance Co. of Milwaukee  
Organized 1870

Milwaukee Mechanics' Insurance Company  
Organized 1862

Royal Plate Glass & General Ins. Co. of Canada  
Organized 1906

The Metropolitan Casualty Insurance Co. of N.Y.  
Organized 1874

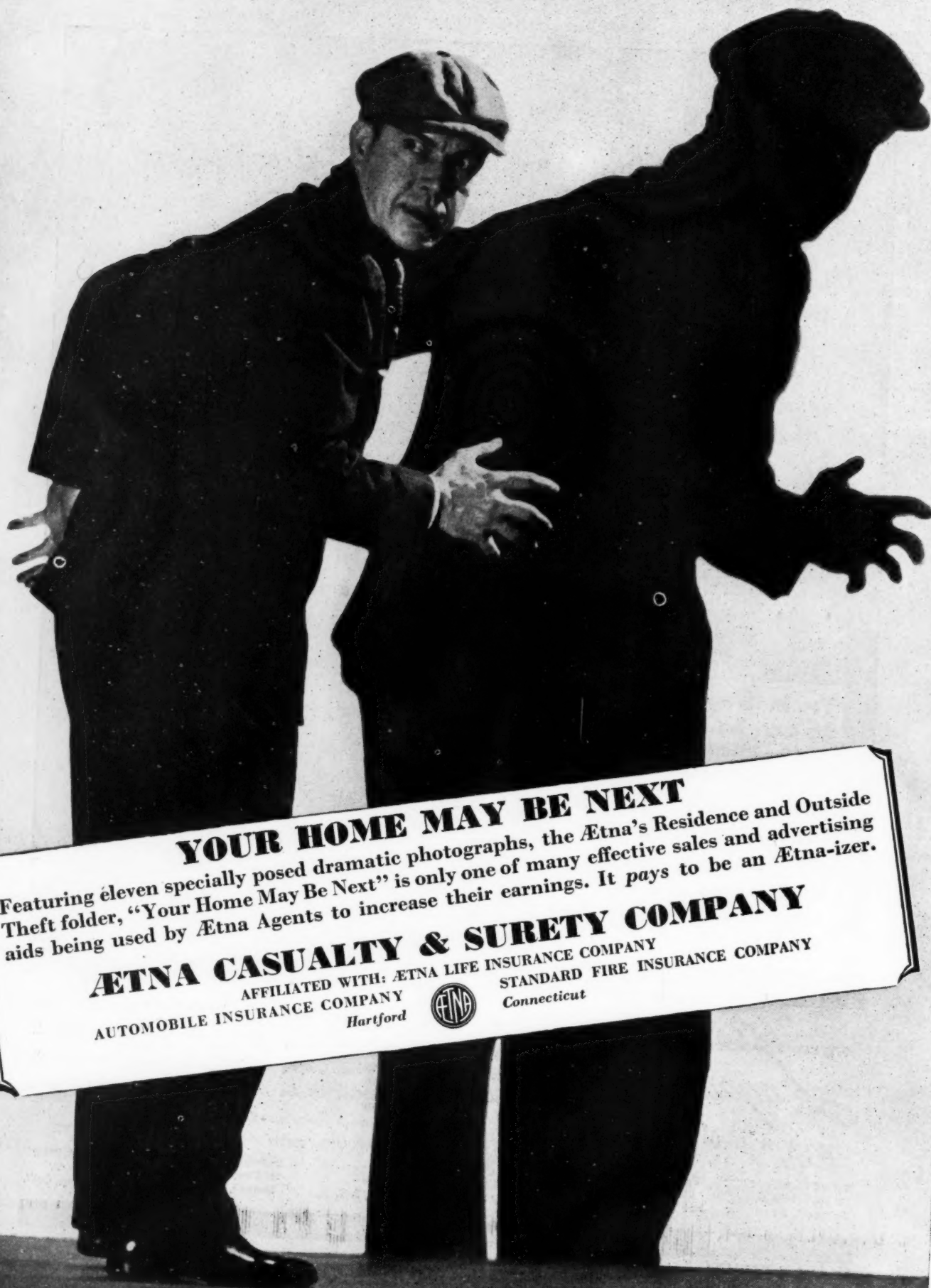
Commercial Casualty Insurance Company  
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

BUY MORE BONDS - - AND KEEP THEM

Official U. S. Marine Corps Photo





## **YOUR HOME MAY BE NEXT**

Featuring eleven specially posed dramatic photographs, the Aetna's Residence and Outside Theft folder, "Your Home May Be Next" is only one of many effective sales and advertising aids being used by Aetna Agents to increase their earnings. It pays to be an Aetna-izer.

### **AETNA CASUALTY & SURETY COMPANY**

AFFILIATED WITH: AETNA LIFE INSURANCE COMPANY  
AUTOMOBILE INSURANCE COMPANY Hartford



STANDARD FIRE INSURANCE COMPANY  
Connecticut





This September Sales Message  
for Employers' Group Agents  
will be aimed at over  
25,000,000 prospects...  
the readers of TIME,  
THE SATURDAY EVENING POST  
and THE AMERICAN HOME.

## The worst dressed girl in town...

Why is it that a man is all thumbs when it comes to changing a baby?

What's hard about it? Fold here . . . fold there . . . and pin here. A mother can do it with her eyes shut.

Of course there's that time-tested factor of experience to be considered. Mothers have been handling babies for ages. Fathers . . . well they've been more or less on the sidelines, basking in the glory.

Yes, that single item *experience* is the crux of everything. It certainly is with insurance.

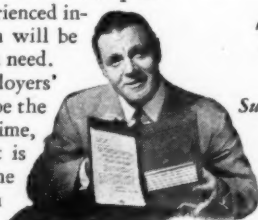
You can try to protect your home or business by buying insurance policies piece-meal, whenever you feel the urge. But the chances are, if you have no definite plan . . . made especially for you by an experienced insurance counselor . . . your protection will be loose, ill-fitted and far from what you need.

The thing to do is to let your Employers' Group Agent, *The Man with the Plan*, be the "mother" of your insurance. In no time, he can pin up a protection plan that is fool-proof in every respect. For he has the proper insurance experience. He can

quickly analyze your needs and show you the hazards to which you are exposed. Furthermore, he can find any weak spots in your present policies and, being posted on all the latest developments in insurance, he can tell you how to get better protection at the lowest cost . . . protection that gives *freedom from worry over financial loss*.

Call *The Man with the Plan* now. You have everything to gain and nothing to lose. He will make a complete analysis of your whole fire and casualty insurance program free.

*The Man with the Plan brings you news by Cedric Foster  
... Sunday evenings over a national radio book-up.  
Consult your radio page for time and station.*



### The Employers' Group INSURANCE

*Surety & Fidelity Bonds—Fire & Casualty Insurance*

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.

THE EMPLOYERS' FIRE INSURANCE CO.

AMERICAN EMPLOYERS' INSURANCE CO.

One Liberty Square, Boston 7, Mass.

THE EMPLOYERS' GROUP MAN IS THE MAN WITH THE PLAN



Even under rationing neither public nor the police would stand for a tailor outfitting a customer in coat and vest this month and promising the pants for "next month." Public opinion demands full coverage for the average man at all times—no matter how photogenic he may appear in shorts.

Full coverage insurance-wise also is of prime importance today, especially in view of increased and increasing replacement costs due to war conditions. Building material costs alone have gone up 27% since 1913 and 11% since 1941. Household goods and other contents costs likewise have advanced 25%, or more.

You can do your policyholders a worthwhile service today by seeing that they have full coverage so that, when a loss occurs, they will not suffer financially from under-insurance. At the same time you help maintain your premium volume, current rate trends to the contrary.

Our Advertising Department will gladly suggest ways and means of presenting these facts to your clients and prospects, and of selling them on full coverage.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED  
 THE PENNSYLVANIA FIRE INSURANCE COMPANY  
 THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK  
 THE MERCANTILE INSURANCE COMPANY OF AMERICA  
 THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 8, N. Y.

## HATS OFF TO THE ARSON SQUAD!

**Who** because of their training are able to work shoulder to shoulder with law enforcement authorities all over the country, in tracking down arsonists and breaking up organized arson gangs.

**Who** have been of valuable assistance in the speedy prosecution of many arsonists, with the result that the crime of arson is at its lowest point in many years.

**Who** have been instrumental in getting

the Model Arson Law passed in most of the states.

**Who** have caused a scientific study of Pyromania to be made in Columbia University's Department of Psychiatry, the results of which will be beneficial to the whole country in fire prevention work.

**Who** have been called upon to contribute assistance in educational programs for policemen, firemen, and those in charge of protecting war plants.

**Who** have made many investigations, not connected with arson, for government agencies.



## CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. . . . . Organized 1824  
The North River Insurance Co. . . . . Organized 1822  
Westchester Fire Insurance Co. . . . . Organized 1837  
The Allemannia Fire Insurance Co. of Pittsburgh . . . . . Organized 1868

Richmond Insurance Co. . . . . Organized 1836  
Western Assurance Co., U. S. Branch . . . . . Incorporated 1851  
British America Assurance Co., U. S. Branch . . . . . Incorporated 1833  
Southern Fire Insurance Co., Durham, N. C. . . . . Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.







## *He looked death square in the face!*

What does *he* think of the Red Cross? He could tell us plenty of what that organization has done for him. At best, it wasn't any fun for him over there. No days off, no relaxation—just going on and on—cold, dirty and damp—tired and hungry. Suddenly, out of nowhere, up would pop a Red Cross clubmobile bringing hot coffee and doughnuts, personal supplies and a touch of home to him and other American troops in the mudholes.



That particular night, when he was wounded, he *knew* that he looked *death square* in the face—you can feel those things. But the blessed blood plasma eventually brought him back. And during his convalescence Red Cross workers made his life more cheerful by writing his letters for him, providing recreation, and by easing the worry over his personal problems. The Red Cross? It's the symbol of life in the midst of death.

*This is the seventh of a series of advertisements dedicated to the American Red Cross by*

**THE HOME INSURANCE COMPANY, NEW YORK**

**FIRE • AUTOMOBILE • MARINE**

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## Mortgagees Act to Avert Danger of Coinsurance Penalty

**Request Borrowers to Keep Insurance in Line with Higher Values**

NEW YORK—Mindful of the steady increase, estimated at 20% to 25%, in real estate values since the onset of the war, a number of life companies, savings banks and trust companies have sent out letters to their mortgagors calling their attention to this increase in values and asking that fire insurance be increased to an amount that will avoid any possibility of a coinsurance penalty in the event of a partial loss.

Some of these letters strongly urge the property owner to call in his agent or broker and have a survey made to determine how much insurance should be carried. At least one institution's circular letter to its mortgagors suggests that the mortgagor request his insurance company to indicate whether or not the present amount of insurance is sufficient. It has been found that fire companies are considerably more willing than in the past to look over the property and write the insured a letter stating the company's estimate of its value as of that date.

In view of the fact that the New York law prohibits the issuance of a valued policy on real property these letters always state that the estimate of value is not binding either on the company or the insured but obviously such a letter furnishes an advance basis of understanding that would take care of most if not all possible points of difference in the event of a loss. In this connection it will be recalled that at the panel discussion on insurable values at last spring's American Management Association insurance conference Prentiss B. Reed, the noted adjuster, said that regardless of whether such advance understandings were binding, he had never known of a reputable insurer that did not stand by its agreements in such cases.

### Estimates Are Approximate

Estimates, particularly in the case of residence properties, are not usually made with any degree of exactness but can be handled by using a cubic foot factor for the structure and making appropriate allowance for the cost of labor and materials according to locality.

As might be expected, insurance brokers have been much pleased at the letters which the institutional lenders have sent out. Frequently a mortgagor's broker has been trying unsuccessfully to get his client to raise the insurance in line with present day values.

Adequate insurance to prevent the imposition of a coinsurance penalty is an important matter to a mortgage lender and of course to the borrower as well. In one case recently a borrower's property value increased to such an extent that when a partial fire loss occurred he was a coinsurer to the extent of \$1,500. The loan was so large a percentage of the value that the lender was unwilling to increase the loan by the amount of money which the owner needed and would have had to foreclose if the owner had been unable to obtain a second mortgage large enough to take care of the \$1,500 insurance deficiency.

(CONTINUED ON PAGE 30)

## Federal Committee Setup Is Now Being Perfected

ST. PAUL—Commissioner Newell R. Johnson, president of the National Association of Insurance Commissioners, announces the commissioners who will serve on the committee that will handle proposed federal legislation as outlined at the St. Louis meeting. The members of the committee who will represent various phases of the insurance business will be announced later.

The committee is identical to the Graves' subcommittee on federal legislation except that Harrington of Massachusetts is chairman instead of Graves of Arkansas. Besides the chairman, the members are: Graves, Johnson; McCormack, Tennessee; Scheufler, Missouri; Dineen, New York.

### MESSAGE FROM MCCORMACK

NASHVILLE—"There must be definite legislation in the Congress, in the Senate and possibly additional legislation by the states to protect the power of the states to supervise and tax the business of insurance," declared Commissioner McCormack, vice-president of N.A.I.C., in a letter addressed to "policyholders, officials and insurance agents of Tennessee," accompanying a copy of the report of the commissioners sub-committee on federal legislation.

### Governor Cooperates

Stating that Governor Cooper and Attorney General Beeler are co-operating fully with him in his efforts to "get something done while there is still time and opportunity to do it," Mr. McCormack said: "Complete authority in the regulation of insurance as has existed for 76 years may only be guaranteed by a successful rehearing of the case by the Supreme Court, which would result in a reversal of the recent decision; or, (2) a constitutional amendment declaring insurance as being delegated to exclusive supervision and taxation by the several states. However, temporary relief may be assured by petitioning the Congress and Senate to repeal certain acts now on the statute books of the federal government, which pre-empt the field of regulation to the federal government to the exclusion of state supervision."

Mr. McCormack and probably Governor Cooper are expected to accompany Beeler to the meeting of Southern attorneys general at Memphis this week and the sub-committee report will be one of the documents considered in this meeting.

### IOWA OFFICIAL ACTS

DES MOINES — Attorney General Rankin of Iowa announced he had joined the state of Georgia in its motion for a rehearing in the S.E.U.A. case.

### D. of C. Laundry Damages Bill

WASHINGTON—Double repayment for loss or damage to articles handled by laundries and dry cleaners in the District of Columbia, would be granted their customers under a bill introduced by Rep. Hebert, Louisiana, who says he has received many complaints from capital residents regarding delay and inaction on settlement of claims against such firms.

Under the Hebert bill double damages would be awarded on losses involving less than \$50 value, where more than 30 days elapses without settlement, but only after complainant has obtained court judgment for the claim. Provision would also be made for payment of attorneys' fees in reasonable amount by the laundry.

## Washington Now Awaits Word from Commissioners

WASHINGTON — Neither Senate nor House committees on judiciary have received a report from the National Association of Insurance Commissioners, whose executive committee has approved a report on federal legislation deemed desirable in view of the S.E.U.A. decision, nor request for congressional hearing on insurance legislation.

Rep. Sumners, chairman of the House committee, said he had heard nothing of the matter but suggested the commissioners might communicate with the Senate committee. He pointed out that his own committee recommended the Bailey-Walter bill to exempt insurance from the federal anti-trust laws and the House passed it.

If the commissioners' proposals come before the Senate committee and that body should decide to go fully into the subject at this time—or next winter—those proposals could be considered in connection with possible amendment of the Bailey-Walter bill, it is pointed out.

Last week the Senate judiciary committee could not find a quorum of its members, and so held no formal meeting.

### Justice Department Silent

Meanwhile, the Department of Justice had no official comment upon the S.E.U.A. petition for rehearing. It is expected the department will have opportunity to file something with the Supreme Court in reply to the petition. Officials said, however, the question of filing has not been decided.

One thing certain, it appeared, is that the department will not support the petition, although Attorney General Bidle did agree to extension of time within which insurance counsel could file petition.

Usually, officials said, the department does not "bother" to respond to rehearing petitions by its opposition, but in this case, however, it was suggested, there is a "wee possibility" that government response may be made. If so, it was indicated, it will be by way of legal argument in reply to points made by insurance counsel. However, it was said, "the Court knows all about the case anyhow."

Government lawyers say there is "fallacy" in the argument of Attorney Cahill for S.E.U.A. that constitutional questions have not been decided by the Supreme Court except by majority.

(CONTINUED ON PAGE 30)

## New S. C. Commissioner Former Insurance Man

D. D. Murphy, who last week was appointed insurance commissioner of South Carolina, has been with the department since July 1, 1938, as chief inspector.

Prior to that time he was in the insurance business at Charleston. He was named by Governor Johnson to fill the unexpired term of George Benjamin, now in service, and he succeeds William Eggleston, who was named by Governor Jefferies when Mr. Benjamin entered the armed forces. Mr. Murphy's appointment was made on recommendation of Mr. Benjamin.



D. D. Murphy

## S.E.U.A. Asks Shift in Stand Only on Anti-Trust Laws

**Suggests Letting Decision Remain as to Congress' Power Over Insurance**

WASHINGTON—Without the necessity of any justice's changing his position as to the ultimate scope of the federal power over insurance, the up-setting of state regulation before a comprehensive substitute is formulated and enacted by Congress can be avoided by the Supreme Court if, on rehearing Southeastern Underwriters Association case, it will declare the power of Congress to regulate the business of insurance without holding that the Sherman act should be extended to insurance, it is suggested in the petition for rehearing filed by S.E.U.A.

The petition points out that "the court would thus leave to Congress the decision as to the functions it wishes to assume with respect to insurance." The petition gives credit to Justice Jackson's opinion for this method of declaring Congress's right to regulate insurance without upsetting state regulation prematurely.

The petition goes on to say that should Congress desire to regulate insurance it can hardly be assumed that it would rely solely on the anti-trust laws and there is no reason to believe it would disregard the states' experience, pointing out that "Congress has already indicated its belief that the public interest with respect to insurance would not be served under the anti-trust laws by the enactment of the District of Columbia rating law."

### Four Major Points

The petition for rehearing is based on four major considerations: (1) Since the case was argued Congress has affirmatively demonstrated, by passing the District of Columbia rating law, that it does not intend insurance to be subjected to the demands of the Sherman act; (2) under the established principles of the Supreme Court the constitutional doctrine on which the present system of state regulation is based should not be invalidated without affirmative evidence of congressional intent; (3) the court's decision leaves in doubt the respective scopes of federal and state powers with respect to the regulation of insurance; and (4) a case of this character should be decided by a majority of the whole court.

As to the first reason, the petition states that in setting up the District of Columbia rating plan Congress "has thus recognized the fundamental necessity for concerted action and uniformity in the insurance business, in contrast to the unrestricted competition demanded by the Sherman act. In view of the affirmative evidence that Congress believes the Sherman act to be incompatible with the proper regulation of insurance in the District of Columbia, it cannot reasonably be supposed that Congress nevertheless intended the Sherman act to be applicable in the 48 states."

Under the second heading the petition states that even though Congress had not thus clarified its intent by pass-

(CONTINUED ON PAGE 14)



## Companies Put in Conservation Plan

### See Need for Watching Outgo of Stationery and Supplies

Insurance companies have had to shut down on the furnishing of stationery, blotters, etc., to local agents owing to the serious paper situation. It has been the custom for many companies to furnish local agents their stationery with the imprint of the company and the local agent's name. Some agents, however, have felt the need of getting away from company connections and advertising themselves. Hence they had their own stationery printed with their name or agency featured. However, a number of agents still look to their company for stationery.

Agents have not been very careful in using this stationery because they use them for form letters. Some who are in the real estate business use it for advertising that part of their activities and listing properties they have for sale or rent.

#### Improvement in Stationery

A few companies not many years ago concluded that there should be an improvement in local agency stationery and therefore had experts go over the letter heads of a number of agents and devise three or four suggested forms with cuts. The agents were to deal with their own printers but the companies furnished cuts if desired. Some of the agents now find that their printers are overwhelmed with work and are endeavoring to get their companies to do the printing for them.

Heretofore it has not been necessary to limit the amount of stationery that agents could get but now there has to be some rule as to the quantity. Field men are being advised to be far more cautious in promising to get stationery for local representatives.

#### Necessary to Curtail

So far as blotters are concerned there has had to be a serious curtailment in quantity furnished an office. The calculations usually are based on the premium income allocating so many blotters to each \$100 of premium.

Companies have shut down almost entirely on advertising gadgets, souvenirs, etc. While agents still insist on having blotters to hand to their customers companies have felt that there must be a departure from the old way of furnishing agents with pencils, paper weights, etc. Furthermore a number of companies got out special gifts for agents. For the most part these will be eliminated and may permanently be off the calendar. Companies realize that their expenses will be more carefully scrutinized and hence will watch the items far more carefully.

## Program for New Jersey Agents' Meeting Announced

Featured speakers at the annual meeting of the New Jersey Association of Insurance Agents Sept. 29, at the Stacy-Trent Hotel, Trenton, will be Governor Edge of New Jersey, C. K. Barton of Passaic, chairman of the senate committee on banking and insurance of the New Jersey legislature, and Guy T. Warfield, Baltimore, member of the National Association of Insurance Agents executive committee. They will speak at the afternoon session.

The program will start with registration at 8:30 and the meeting will be called to order at 9 o'clock. Reports of officers and committees will be followed by discussion of these and of problems brought up by the members. Election of officers will conclude the morning session. Because of the war there will not be a dinner meeting.

## State Premium Taxes Total \$125 Million in Year

WASHINGTON — State insurance premium taxes collected during the fiscal year ended June 30, 1944 totaled \$125 million and showed smaller gains over 1943 than a number of other state tax collections, according to a preliminary report by the U. S. Census Bureau on state revenues.

Premium taxes totalled \$120 million in 1943 and \$113 million in 1942. There was a 6.2% increase from 1942 to 1943, 10.6% from 1942 to 1944, and 4.2% from 1943 to 1944.

"Favorable conditions for insurance companies," says the report, "continued to be reflected in larger collections from the taxation of gross premiums."

#### No Report for Some States

All 48 states taxed insurance companies, according to the census report. The total actually reported was \$123,926,000 for fiscal year. The census figure was arrived at by estimating receipts of states not reporting.

The amounts collected by the several states in the year varied from \$114,000 in Nevada to \$16,491,000 in New York. Other states in which large collections were made of insurance company taxes included: California, \$9,657,000; Connecticut, \$4,622,000; Illinois, \$10,301,000; Maryland, \$2,355,000; Michigan, \$5,376,000; Missouri, \$3,026,000; New Jersey, \$5,051,000; Ohio, \$7,788,000; Pennsylvania \$9,118,000; Texas, \$5,677,000.

## Feindt Retires; N. A. Ill. Changes

George A. Feindt, state agent in northern Illinois for North America, and in the field for that company since 1925, is retiring as of Oct. 1. Alvin G. Keats of Chicago, state agent, will take over Mr. Feindt's territory, and Harry C. Harm of Gibson City, state agent for the company, will take over Mr. Keats' territory.

Mr. Feindt is one of the veterans in the field where he has served for more than 40 years. He was at one time with the Chicago Board, served in the railroad department of Marsh & McLennan, and then went with Great American in the field. Mr. Keats has been with North America since 1921. He spent considerable time in the general cover department in the Chicago service office, and then was associated with the general cover department in New York. He went into the Illinois field about two years ago. Mr. Harm has been with North America since 1926.

## Baltimore Rate Reduction; Study State Legislation

BALTIMORE—Commissioner Ensor has announced that a reduction in fire insurance rates of from 12½% to 16% on certain classes of property has been approved by the Association of Fire Underwriters of Baltimore City and mutual interests. The reduction applies on all new policies and renewals on and after July 1, 1944.

Classifications affected are dwellings, fire proof apartment houses without stores, private garages, boarding houses with not more than 20 sleeping rooms, seasonal dwellings and private out-buildings.

Mr. Ensor said that he had been conferring with rating bureaus, agents and company executives to get their views on the advisability of strengthening Maryland's insurance legislation, particularly as it affects supervision. He suggested a program should be agreed upon in advance of the legislature which meets in January.

## John Francis Enters Weekly Newspaper Field



JOHN M. FRANCIS

John M. Francis has resigned as a member of the public relations staff of the National Board to become associated with the "Berkshire Courier," weekly newspaper published at Great Barrington, Mass. He had been with the National Board about four years.

After being connected with Louisville newspapers from 1917-1928 he joined the "Insurance Field" at Louisville and was later located in New York. In 1931 he went with the New York "Journal of Commerce" as an insurance reporter.

For the past year Mrs. Francis and their three young sons have resided at North Egremont, Mass., near Great Barrington.

Mr. Francis will be given a farewell luncheon by insurance newsmen Friday at the Drug & Chemical Club.

## Help Problem More Acute as Girls Return to School

As the school season starts many insurance offices are experiencing an acute personnel problem insofar as women employees are concerned. Last spring many high school girls, in reality looking for summer employment, announced that they had quit school and did not intend to return in the fall. They felt that they could command a better salary if the employer believed that they were interested in something more than a seasonal job. Of course many employers were skeptical but being in more or less desperate straits took a chance and now most of these girls are going back to school. In virtually every insurance office in the land the help situation is the great problem of the day and each employer feels that he has been singled out to be afflicted with too few and too incompetent girls.

## Marine, Aviation Meetings

NEW YORK—Sessions of an exploratory nature to discuss agenda for the U. S. Chamber of Commerce insurance committee meeting Sept. 21 at Washington were scheduled for the newly appointed marine and aviation insurance sections of the committee. A meeting of the marine insurance section was called by William D. Winter, president Atlantic Mutual for Sept. 6 in New York. William E. McKell, president New York Casualty, chairman of the aviation insurance section, is expected to announce shortly the meeting date for his group.

## Virginia Laws Published

The Virginia insurance commissioner has issued a 146-page pamphlet containing the insurance laws of the state. It consists of a reprint from the Virginia code of 1942 and the 1944 supplement.

## Property Insurance Manual Published; Non-Technical

"Risks We Face—an Introduction to Property Insurance" is the title of a 120 page volume that has just been published by Prentice-Hall. The editors are L. J. Ackerman, dean school of business administration University of Connecticut, and Ralph W. Bugli, who is now with Fred Eldean, public relations, but who at the time the book was being prepared, was with the National Board.

The National Board is absorbing the cost of preparation and part of the printing in order to offer the book to insurance representatives in company, agency and brokerage ranks at \$1 per copy. The retail price is \$2.50.

John North, vice-president of Phoenix of Hartford, was chairman of the subcommittee that worked for two years to develop the project and H. K. Schaeffer, assistant manager of the National Board, also devoted much attention to the production phases of the job.

The book is a brief, nontechnical manual of property insurance. Fire insurance protection forms its basic theme but other types of insurance are also included. The emphasis is on the development and economic importance of the principles and practices of property insurance. The manuscript was reviewed by leading educators. In this book factual material is organized so as to give the reader a clear cut, well coordinated picture of the business as a whole, together with its economic importance, vocational opportunities and influence on the life of the individual. The book outlines the part insurance has played in history and then tells a concise story of property insurance in action today—the types of risk bearers, the contract which insurance companies issue, the work of the local agent and broker.

Following each of the 11 chapters there is a set of questions relating to the text, suggestions for further reading and "projects." The latter includes suggestions for the reader or the study class to supplement the reading with various tests of a practical nature.

## Fall Spells Reduction in Huge Fur Storage Values

With the arrival of cooler weather, inland marine underwriters are expressing relief because fur storage values will soon be reduced. The present storage season has been the heaviest on record. Furriers have doubled and tripled their previous storage values. Likewise their sales on new garments have been increased.

The companies have reinsured this business closely. Some observers believe it may be advisable for agents to parcel out furriers customers business among the various companies in their agency much along the same lines as large fire risks thereby eliminating the placing of reinsurance and protecting the excess covers carried by many of the underwriters.

## McCarran Wins in Nevada

Insurance people were much interested in the outcome of the Democratic Senatorial primary in Nevada Tuesday because Pat McCarran, chairman of the Senate judiciary committee, was in a stiff contest. McCarran triumphed over Vail Pittman by a margin of about 850 votes. McCarran, in addressing an insurance audience at Reno recently, came out strongly for insurance states rights and for the Bailey bill, now before the judiciary committee, to exempt insurance from the federal anti-trust laws.

E. B. Stroud, Fort Worth, Tex., has purchased the interest of A. G. Ratliff in the Ratliff-Stroud Co. there. Mr. Ratliff, a former local agent at Keller, Tex., will continue as solicitor for the agency.



## Solves Furrier Cover Problem

### Special U. & O. Endorsement, Charges Insurance, Meet Seasonal Difficulty

The furrier nowadays is faced with several insurance problems, some of them arising from special wartime conditions and others that are a result of peculiarities in his business, according to N. F. Lenz, marine manager of Eliel & Loeb of Chicago.

One problem which a furrier has at all times is to get insurance coverage that will reimburse him adequately. If a furrier should sustain a loss involving that portion of his gross earnings pertaining to storage and/or labor charges, the use and occupancy policy would limit his recovery of storage and labor charges to the actual time he is out of business. It must be remembered that under U. & O. he can only recover such reduction of gross earnings as would have been earned had no loss occurred. If he were shut down during April and May, the U. & O. policy would only pro-rate the reduction in earnings for storage and labor inasmuch as the entire amount for the season would not be considered as earned during those two months. The majority of furriers' storage agreements with their customers provide storage of the garment until Jan. 1 of the following year.

#### Special Endorsement

Mr. Lenz has solved the problem by inserting a special clause in the U. & O. policy. By using the special clause in connection with the U. & O. form, the reduction in earnings caused by a shut down for April and May would be recoverable under the U. & O. contracts. A loss during the months of July and August would involve both the U. & O. policy and the storage and labor charges coverage.

The charges coverage will reimburse him for the work already completed on garments in storage. The furrier does not collect storage and service charges until the coat is delivered in the fall for winter wear, but he might well have most of this work done by the middle of the summer. Consequently he has a considerable investment in service already completed.

#### Many Are Underinsured

A good many furriers today are woefully underinsured, Mr. Lenz commented. The other day he checked the insurance of a furrier who carried a \$125,000 limit on values in the vault and had \$600,000 worth of coats exposed.

Many furriers fail to insure their excess legal liability. The furrier reports monthly to his insurer the total values shown on customers' receipts, but often the value indicated by the customer does not nearly cover the actual value of the garment. The main reason for the furrier to indicate a small value such as \$100 on his storage receipt, is because the customer will agree to that because of carrying her own insurance policy. If the customer should insist that the furrier show the actual value of the garment, naturally his charge for the storage would be considerably higher.

Furriers usually send out their garments to be cleaned, and some of the large cleaning firms do work for a dozen or two furriers. Cleaners now pick up

(CONTINUED ON PAGE 18)

#### Little 'Quake Cover in East

NEW YORK—Insurance claims arising out of the earthquake which shook the northeastern states early Tuesday are expected to be negligible. A check of several major home offices here and brokers disclosed no claims reported up to Wednesday noon. Virtually no one buys earthquake insurance in the east. Some claims may possibly come in from insured carrying plate glass coverage.

## American Auto Fire Opens New Inland Marine Department

American Automobile Fire has opened an inland marine department in charge of H. G. Kates, vice-president of the affiliated Associated Fire & Marine, who recently moved to St. Louis from San Francisco. Mr. Kates will also supervise central and western territories for Associated.



H. G. Kates

American Auto's personal property floater policies have been streamlined so as to eliminate separate endorsements. The usual forms of jewelry and fur floater, personal effects floater and scheduled property floater will be written, but scheduled articles will be listed on the declarations page of the policy. The scheduled property floater form is adaptable for all specialty coverages, such as cameras, fine arts, musical instruments, stamp collections, etc., by simply attaching the appropriate coverage form after listing the insured items on the declaration page.

Mr. Kates has had wide experience in inland marine underwriting and has supervised the expansion of the field organization in preparation for the competent handling of these new lines through the various branch offices.

## Jordan Denies Taking Position on Commissions

Superintendent Albert F. Jordan of the District of Columbia has written as follows to THE NATIONAL UNDERWRITER:

"My attention has been directed to an article in the August 24 issue of THE NATIONAL UNDERWRITER, bearing the caption 'Can't Agree on Commissions, Jordan, D. C. Superintendent, Expresses Views.' The article continues by saying that, for reasons which you explain, the industry is concerned and that I might order a cut in commissions.

"Speculation on the part of your magazine as to what my opinion or intentions might be is, I suppose, something to which I have no right to object. I believe, however, that in the absence of any actual expression from me, it is entirely unfair for any magazine to imply that that I have concurred in its views or in the views which it may have received from other persons.

"I have said nothing whatever to you, to your representative, or to any other person, which could possibly have justified the implication of your article. You say that I have held 'informally,' etc., as to the right of companies to agree on commissions in view of the Supreme Court decision that insurance is commerce. I have not so held either informally or otherwise and I have no intention whatever of so doing. You suggest that I may order a cut in commissions. I have not even contemplated so doing and have not said anything which could warrant that assumption."

## Senator Ferguson Unable to Address Mich. Meeting

Homer Ferguson, United States senator from Michigan, who was scheduled to address the annual meeting of the Michigan Association of Insurance Agents in Detroit Friday, will be unable to keep the engagement. He finds that the pressure of official business in Washington makes it impossible for him to be in Detroit at that time.

## D. C. Bureau Decisions Awaited by Agents, Brokers

WASHINGTON—District of Columbia agents and brokers engaged in a fight for agent representation on the executive committee of the new D. C. fire rating bureau and against possible reduction of commissions believe their view that the new District law may be regarded as a model tends to be borne out by two recent developments.

First, Superintendent Dineen of New York is understood to have obtained copies of the new District law, the original bills on the subject, Congressional committee reports and hearings, and discussion in both houses on the matter. This material was reported intended for consideration by the commissioners' legislative committee.

Second, insurance counsel in the S.E.U.A. case, in their petition to the Supreme Court for its rehearing, bore down hard on the new District law and the action of Congress in directing companies doing business here to organize a rating bureau to operate subject to regulation by the District insurance superintendent.

Meanwhile the committee of the Insurers Association headed by L. C. Crawford awaited opinion of its counsel in support of their proposal that agents should have representation on the rating bureau executive committee. The opinion obtained by Mr. Crawford was scheduled for submission to Superintendent Jordan on Wednesday, to which day Mr. Jordan had agreed to withhold action on the bureau's constitution. On Thursday the bureau's governing committee was scheduled to meet to work on details of organization, on the assumption that the constitution would have been approved by that date.

The Washington Board of Trade insurance committee, headed by E. D. Detwiler, assistant secretary Potomac Electric Power Co., adopted a resolution recommending to the Board of Trade's directors that the District of Columbia commissioners, or the insurance superintendent, be requested that some local insurance agents be made members of the rating bureau executive committee, if possible under the law.

The governing committee of the bureau plans to levy an assessment upon the companies doing business in the District of Columbia, according to William N. Payne, president National Capital, chairman of the governing committee and selectee for chairman of the bureau's executive committee.

"Everybody has to be very particular about dotting his 'i's and crossing his 't's," Mr. Payne explained, "because this will be the first rating bureau organized since the Supreme Court decision."

It was reported that E. Barrett Prettyman, former District corporation counsel, will be retained by the District Insurers Association and individual agent members of the Washington Insurance Club going along with the former, to represent them before the insurance superintendent. His first task was reported to be preparation of the opinion to support the agents' request for representation on the bureau's executive committee.

Mr. Prettyman said there has been informal consultation with agents' representatives, but he had not been engaged to represent them before the superintendent.

## Phoenix, Conn. Shifts Marine Work

Richard L. Neilson, special agent in the inland marine office of Phoenix of Hartford at Philadelphia, has been commissioned an ensign in the U.S.N.R. and has reported for instruction at Princeton University. State Agent Frank W. Marsh and Special Agent George L. Lusk, Jr., will perform his inland marine duties. Mr. Marsh previously handled the work for a number of years.

## Alabama Agents in Annual Session

### State Association Has Made a Splendid Membership Record

MONTGOMERY, ALA.—The annual meeting of the Alabama Association of Insurance Agents is taking place here this week with Yetta G. Samford of Opelika, president, in the chair. The organization now has 283 members, a gain of 32 during the fiscal year. The total gain since M. R. McGruder became executive secretary is 115, a very fine record.



Y. G. Samford

The directors met Wednesday evening, J. O'C. Jackson of Mobile being chairman of the executive committee. The session Thursday morning was executive. W. Ray Thomas of Pittsburgh, vice-president of the National association, made one of the main talks at the meeting. The meeting Thursday afternoon was open with Manley Stockton of Atlanta, assistant southern manager of Hartford Fire, as a speaker. He discussed some agency problems and it is expected that Superintendent of Insurance Frank N. Julian will be able to be present and speak. The annual banquet will be held Thursday evening. One of the most interesting reports will be that from the committee on rates, rules and forms.

Mr. Thomas in his talk said that agents must watch the developments in insurance legislation and potential changes very carefully. Bills will be introduced in Congress and the state legislatures that will have a far reaching effect. He said that in recent days much emphasis has been placed by both company and agency associations on the need for closer cooperation in the industry. People in the business, he observed, are better informed to suggest improvements than any outsiders.

## Crafts' Duties Enlarged; Morasch Eastern Manager

BOSTON—In order that his entire time may be devoted to executive and general supervisory duties, James F. Crafts, first vice-president of Fireman's Fund, will relinquish the direct management of the eastern department. He will continue to be located at the eastern department office in Boston but will also maintain an office at the headquarters of the group at 116 John street, New York.

Fred H. Morasch has been appointed manager of the eastern department succeeding Mr. Crafts. Mr. Morasch has been assistant manager of the department since 1940, prior to which time he was state agent for New Jersey.

John E. Clark, manager of the New York metropolitan fire and automobile division, has been appointed assistant manager and will shortly be transferred to Boston. Alfred A. Muller, assistant manager, will continue to be associated with the department in that capacity.

## Kessler Leaves Ordnance Dept.

WASHINGTON—J. P. Kessler, insurance examiner in the ordnance department insurance section, resigned Sept. 1 to return to California and start his own agency. He has been in the department since February, 1942. George Ort, ordnance insurance chief, is looking for a successor.

## NEWS OF FIELD MEN

### Davis to Northern Home Office; Va., N. C. Changes

Robert B. Davis, who has been special agent in Virginia for Northern Assurance and London & Scottish and special agent in North Carolina for Northern Assurance, has been named assistant secretary in the home office of those companies.

F. B. H. Whalen will succeed Mr. Davis in Virginia and will also handle southern West Virginia for the two companies. In North Carolina Robert P. Hancock has been named special agent for Northern. Mr. Whalen's headquarters are at 923 American building, Richmond, and Mr. Hancock's at Raleigh.

Mr. Davis, born at Chrisfield, Md., entered local agency business there after attendance at Johns Hopkins University. Later he was with the Hancock general agency in Baltimore nine years, joined National Union in Pittsburgh and eventually became agency superintendent. He went with Northern in 1928, taking charge of field work in Virginia and North Carolina.

Mr. Whalen formerly was with the Virginia Rating Bureau. Mr. Hancock was with Great American in New York, then with the Charlotte, N. C., branch of Aetna Fire. He joined Northern in 1943 after a period with American of Newark.

### Ill. Blue Goose Golf Preliminary

Members of the Illinois Blue Goose living in the north end of the state played their qualifying matches for position preliminary to the playoff for the

championship, which will be held at Champaign Sept. 14. Winners in the qualifying round that was played at the Joliet Agents' Association outing were H. S. Hendricks, Home, first; P. G. Mavon, G. A. Mavon & Co. general agency, second, and Harold M. Greenberg, Western Adjustment, third; and J. Lewis Cassell, London Assurance, and G. A. Mavon of Mavon & Co., alternates. The playoff was part of the annual outing of the Joliet Insurance Agents' Association.

### Progress of SWIS Inspections

The fire prevention department of the Western Actuarial Bureau has issued a progress report on SWIS war plant inspections in the midwest showing original inspections of 7,663. This includes 3,165 from Indiana, which is only partially under SWIS. The figures include a number of inspections which were made "at state level" and consequently do not check with the figures of the Office of Civilian Defense in several instances. Reinspection information is meager as yet, according to the department, which is under Richard E. Vernor. The report covers 19 states and Cook county, the latter with 115 inspections at last report.

### To Hear Arson Expert

Capt. Carl A. Halter of the Los Angeles fire department arson bureau, will address the Southern California Fire Underwriters Association Sept. 11 on arson in respect to post-war fire underwriting.

### Start 1945 Grand Nest Plans

MINNEAPOLIS — Although the grand nest meeting here is still a year away, the Minnesota Blue Goose has started preliminary work. John Jackson

of Weeks & Jackson, Home managers in Minneapolis, has been named general chairman of arrangements for the 1945 meeting.

### North America Field Changes

Paul R. Lorey of Central of Baltimore has been appointed a state agent, and will be located in Columbus, O., connected with the Cincinnati service office.

Arthur J. Middleton, a special agent for Central of Baltimore, was transferred to the Syracuse service office.

## NEW YORK

### AGENTS AND BROKERS COURSE

The Insurance Society of New York will open its new agents and brokers course, Sept. 11. Sessions will be held Monday, Wednesday, Friday, from 5:45 to 7:45. A new lecturer will be Ralph W. Morrell, vice-president Davis, Dorland & Co., who will give the lectures in fire insurance. Mr. Morrell for several years gave a course in fire insurance loss adjusting at Columbia. The other lecturers will be men who have been associated with the course for sometime.

Another new course on casualty insurance engineering will open the week of Nov. 13.

Other courses scheduled for the fall semester are casualty I opening Sept. 18, (Mondays and Wednesdays, 5:30-7); fire insurance accounting, beginning Oct. 9, (Mondays, 5:30-7); general principles, beginning Sept. 19, (Tuesdays, 5:30-7:30); inland marine, beginning Sept. 18, (Mondays, 5:30-7:30); life I & II, week of Nov. 20, and ocean marine I, beginning Sept. 20, (Wednesdays, 5:30-7:30).

For the following courses registrations will be accepted now and classes will begin as soon as 15 persons are registered in any one course: junior courses in casualty, fire, inland marine and surety; accident & health; aviation, casu-

alty II, casualty payroll audit; fire II, fire insurance inspection and rating, fire insurance loss adjusting, insurance law, medical jurisprudence, ocean marine II, reinsurance, and surety.

### LA GUARDIA HITS V-DAY MEASURES

Mayor La Guardia has expressed disapproval of the preparations being taken by businesses in New York catering to the public to protect their property against damage done by groups celebrating V-Day. He said elaborate precautions would invite vandalism rather than prevent it. The president of the Fifth Avenue Association was quoted as concurring with the mayor's views. There appears to be some difference of opinion on the matter. Some insurance men were of the opinion that it is wise to be prepared for any eventuality. A check of various offices failed to disclose any record of damage done by celebrants after the armistice in 1918.

### LOOKING FOR CAPABLE MEN

Some local agents who have not a definite successor to take over their business are watching the records of young men who have gone out from their localities in war service. They believe that out of this number some one or two will stand out rather prominently and will give signs of leadership capacity. Hence such agents have decided to offer a position in their agency and let a service man learn the business from the ground up. Already a number of tentative arrangements have been made for young men on their return.

### McFALLS AGENCY NAMED

Allemania Fire has appointed R. B. McFalls & Son, Inc., 81 John street, metropolitan agent, suburban general agent and automobile general agent.

### BANKS' INSURANCE COURSE

Thomas F. Glavey of the insurance department of the Chase National Bank

## Our Business is operated squarely on These Principles

**"WE HOLD** that we best serve the American Insuring Public by serving them through Agents and Brokers. **WE AFFIRM** that local Agents and Brokers, by training and experience and because of nearby location and knowledge of local conditions, are the most logically qualified members of the Insurance Industry to efficiently and economically act as local insurance representatives and advisors to the public and business world. **WE RECOGNIZE** that in order to serve their clients well, the Agents and Brokers through whom we obtain our business must be well served by us."

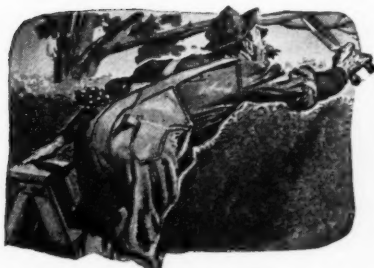
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Ads like this help you sell the New Comprehensive Personal Liability Policy.



**1** Bill Watson had an experience you wouldn't want! It was with an old fellow who did odd jobs—like cutting grass, trimming shrubbery and digging flower beds.



**2** Then it happened. Apparently, there was an unnoticed loose step on the stepladder. Anyway, the gardener tumbled from the ladder while trimming the top of a hedge.



**3** Bill did everything a good citizen would do. Took the old man to the hospital, paid all the doctors' and nurses' bills. He thought that was the end of the matter.



**4** It wasn't. Somebody told the old man he had a suit for damages . . . he collected . . . and plenty. Bill had to mortgage his home and sacrifice most of his lifetime savings to pay that judgment. You've guessed it. Bill didn't have that kind of insurance.

### \$10 a Year Would Have Saved Bill's Worries

YES . . . for only \$10 a year, Bill could have protected himself against that loss—just as you, too, can protect yourself and your family up to \$10,000 against damage suit claims which might cause you to lose your home or your savings.

Why take chances? Ask any insurance Agent or Broker to tell you about North America's New \$10,000 Comprehensive Personal Liability Policy—the biggest \$10 worth of protection you can buy. He will also tell you, without obligation, how to protect what you have against:

1. Damage to your home, your car, or other personal property.

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3. Loss of income through personal accidents—on land, in the air, or at sea.

Call in your local Agent or Broker. Talk with him about North America protection. He charges you nothing for advice, nothing for his time. Yet, he may save you money and trouble.

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THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA • NATIONAL SECURITY INSURANCE COMPANY • PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY



of New York City will teach the evening course on insurance to be given by the New York chapter of the American Institute of Banking. The course will cover insurance principles, especially the supervision of insurance protection for real estate and mortgages, also the responsibility of a fiduciary for maintaining proper insurance protection.

#### OBSERVATION ON LOSSES

Field men in going the rounds have noticed an increase in number and size of losses due to two factors which are quite apparent. The first is bad house-keeping. Naturally all industries and business houses are pushed to the limits. They do not have the manpower that they did. They have had to shift duties from one to another. Therefore the attention of the management has been diverted from cleaning up premises to increased production or taking care of unusual conditions and demands. This means that there is an accumulation of material on the floor and in other places which usually would be cleaned out but now is neglected. The various businesses have been doing their best to keep up the pace but it has been impossible. Therefore when a fire breaks out it increases in force and power. Regardless of all care taken by employees and su-

pervisors, fires from these causes have suddenly increased.

The next cause which is particularly noted by field men is the deterioration in fire departments. Fire fighters have been called to the colors as well as men in other lines. They have sought other jobs that are more remunerative. Therefore in almost every department there is a decline in number of men and efficiency. Some of the best men in the department have left. Therefore in almost every case there are fewer men and fewer experts.

Also it is noticed that as new men have been put on they lack experience and intelligence in fighting fires. Well trained corps put out a fire, where with inexperienced men this has not been the case. Furthermore much damage is done by unnecessary use of water due to lack of experience.

#### Will Meet at Missouri Hotel

The annual meeting of the Missouri Association of Insurance Agents will be at the Missouri Hotel, Jefferson City, Oct. 6, instead of the Governor Hotel as announced Aug. 24.

Write more A. & H. premiums with the "Pictograph," only \$3.00. The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

## CHICAGO

#### FARM LOSSES STEADY

Companies writing farm business throughout the central west report that there has been a steady flow of losses during the entire year. Storms have been rather frequent throughout the territory and while they have not been devastating as a rule they have kept up regular pace so that the claims have not abated.

#### SCHAUFFLER CHICAGO SPEAKER

Harry K. Schaufler, assistant general manager of the National Board, addressed a meeting of the Chicago Insurance Agents Association Wednesday on the public relations program. A number of company men were guests.

#### Y.M.C.A. COURSE STARTS SEPT. 19

Central Y.M.C.A. College of Chicago is offering its property insurance course this semester, beginning Sept. 19. Classes will be held every Tuesday for 18 weeks, from 7:45 to 9:25 p.m. J. C. O'Connor, editor "Fire, Casualty & Surety Bulletin" and associate editor THE NATIONAL UNDERWRITER, will be the instructor. He has conducted this course since it was revived in 1936. The course includes fire and allied lines, automobile and casualty insurance and suretyship.

#### MANY MUTUAL SYNDICATES

There are a number of groups of mutuals that are organized to take care of special properties. These syndicates do not include the factory mutuals of the New England and eastern states. The Building Owners Federation of Mutual Fire Insurance Companies consists of 13 companies. The Improved Risk Mutuals include 14 companies. The Associated Lumber Fire Mutuals is a group of six companies. The Mill Mutuals comprise nine companies. The Food Industries Federation of Mutual Fire Companies has 13 companies.

#### GOOD WORK OF THE LIBRARY

The Chicago Insurance Library in the Insurance Exchange building, maintained by the Cook County Inspection Bureau, has got out a leaflet entitled, "What It Has and How to Use It." Mrs. E. F. Andrews, librarian, is the author. Attention is called to the fact that the library has 8,000 books on fire prevention, engineering, fire protection, fire hazards, fire fighting, general insurance, fire insurance, casualty, life, ocean marine, inland marine and surety. There are books on finance, agency management, letter writing, English composition, insurance law, etc. It has many valuable reference books. The library is very efficiently managed and is practical in its operations.

#### FIRES HEAVIER IN WEST

Western departments of fire companies report a greatly increased loss ratio so far this year, due largely to the storms that have visited various sections of the territory. There has been one procession after another. It has been difficult to get early adjustments and workmen to make repairs or rebuild. Therefore, labor costs have been a big factor in the larger expense. Fire losses have abated somewhat.

A number of adjusters cannot account for the fact that fires that should have been stopped in their incipency were allowed to develop and cause a heavy loss. The manpower situation evidently

has had much to do with it. Many departments are undermanned. It is difficult to get parts for repairs. A number of concerns have had to employ older watchmen who are not alert. Altogether the situation throughout the western territory is rather black at this time.

#### Houston Agencies Merged

W. H. Broyles, who has returned to Houston after two years' army service, has announced the merger of his agency with that of Burnett & Lundy. The new firm name is Burnett, Lundy & Broyles. Offices are at 1013 Fannin building.

## A. B. KNOWLES & Co.

INC.

#### Insurance Managers

are pleased to announce the acquisition, effective August 1, 1944, of the firm of

#### HINTON & STOLL

and the establishment of a branch office providing complete Fire and Marine, including All Risks, underwriting and loss adjustment facilities under the capable management of

#### F. KENNETH HINTON as Vice President

Mr. Hinton will continue to serve the brokers and agents in the eight mid-western states previously under the supervision of Hinton & Stoll.

Our firm, as Insurance Managers, operates throughout the United States and Canada, with its head office in San Francisco and branch offices and representatives in Seattle, New York and Houston.

Our confidence in the future of the Chicago Office speaks for itself and your continued support will, we know, be merited by our effort to serve you fully.

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Since the founding of the Company in 1929, the Board of Directors of the Kansas City Fire & Marine has included nationally prominent business men whose outstanding leadership in industrial, commercial and civic development is recognized throughout the Middle-west. The agents representing the "Kansas City" find this director leadership of substantial assistance in their own communities.

*Monty T. Jones*  
PRESIDENT



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## S.E.U.A. Asks Shift in Stand Only on Anti-Trust Laws

(CONTINUED FROM PAGE 7)

ing the D.C. rating law, the court should, under the principle of *Helvering v. Griffiths*, 318 U. S. 371 (1943), refrain from invalidating the constitutional doctrine of 75 years' standing that insurance is not commerce. The petition recalls that in arguing its case the S.E.U.A. concerned itself primarily with demonstrating that the legislative history of the Sherman act clearly and affirmatively showed that Congress did not intend the act to apply to insurance but that the court's decision rejected this contention, stating: "The most that can be said of all this evidence considered together is that it is inconclusive as to any point here relevant."

The petition emphasizes, however, that the court cited in its opinion no evidence of any intent by Congress that would run counter to the court's decisions in the *Paul vs. Virginia* and the *Deer Lodge County* cases but that the decision in the S.E.U.A. case "is based solely on the ground that Congress must be presumed to have intended the Sherman act to be as broad as its constitutional power."

The petition urges that even assuming that the Sherman act's legislative

history shows Congress's intent not to be clearly one way or the other, the court in a case of this type, should not depart from "the principle of judicial restraint with respect to well-established constitutional doctrines, enunciated in *Helvering v. Griffiths*."

### "PRECISE PARALLEL"

In that case Internal Revenue Commissioner *Helvering* contended that an amendment to the federal income tax law indicated a congressional intent to go beyond the Supreme Court's ruling in *Eisner v. Macomber*, 242 U. S. 189 (1920), which was that stock dividends are not to be regarded as income. The petition emphasizes that the court in deciding the *Helvering* case, declined to overrule its previous decision in *Eisner vs. Macomber* not, as indicated by the court in the S.E.U.A. case, because Congress had expressed a clear and unequivocal desire to legislate only within the area previously declared by the court to be within the federal power. Instead, the basis of the *Helvering* de-

cision was that Congress had not clearly and unequivocally demonstrated an affirmative intention to go beyond the ruling of *Eisner vs. Macomber* and to extend the scope of the revenue act so as to tax stock dividends as income in all situations.

"The parallel to the present case could scarcely be more precise," the petition points out. While the opinion of the court in this [the S.E.U.A.] case rejects what petitioners regard as clear evidence that Congress intended to exclude insurance from the definition of commerce as used in the Sherman act, it goes no further than to say that Congress must have intended the scope of the Sherman act to be as broad as its constitutional power.

"In this case, as in *Helvering vs. Griffiths*, there is lacking an affirmative, supervening intention on the part of Congress to go beyond a construction of the constitution upon which much had been built. It is submitted that much the same result should follow in each case."

### CONSTITUTIONAL THEORY

Though conceding that there are situations in which the court has the duty of reinterpreting the constitution, the petition urges that "when matters of such vast importance and complexity have been based upon a constitutional theory acquiesced in by all three branches of the federal government for more than 75 years and where there is involved a redefinition of the respective scopes of federal and state power, the initiative for making such a fundamental change lies properly with Congress. It is Congress and Congress alone which can implement that change in an orderly manner and whose action would normally have no retroactive effect."

#### Cites Idaho Decision

Regarding the confusion as to the respective scopes of federal and state powers, the petition cites the decision of the federal court in *Idaho in Ware vs. Travelers* invalidating Idaho's countersignature law as an undue burden on interstate commerce and as repugnant to the 14th amendment, even though the Supreme Court in 1940 in *Osborn vs. Ozlin* had held a similar law in Virginia to be constitutional.

The petition calls attention to the

confusing predicament of the insurance companies and the states and their insurance commissioners resulting from the decision. Regarding the suggestion in the court's opinion that the confusion created by the decision can be resolved by Congress, the petition points out that "problems of the magnitude here involved cannot be quickly solved by any legislative body. It was many years before the states arrived at a system of regulation adequate to meet the problems of an individual state. The problems involved in any federal regulation of insurance are far more complex and diverse than those involved in a single state. A substitute for the present form of regulation cannot easily be arrived at."

### COURT MAJORITY

In support of its contention that the S.E.U.A. case should be decided by the whole court, the petition mentions the court's long-established practice of not overruling its prior decisions by less than a majority of the whole court and of not deciding a constitutional question by less than a majority of the whole court.

"A minority of four Justices cannot speak for and bind a majority of the whole court should the same issues here presented arise again," the petition argues. "As this case now stands, accordingly, petitioners, the government, the states, other insurance companies, and the public will be forced to await further costly and time-consuming litigation before the issues now before the court can be settled by a majority of the whole court. In a case of this character, which overrules prior decisions and which decides constitutional questions of unusual importance, the court should speak with finality."

#### Cahill and MacDougald

The petitioners say they have been unable to find a single decision other than the S.E.U.A. case in which a previous holding of the court has been overruled by less than a majority of the whole court. They argue that "the public importance of the issues here involved so far transcends the private interest of the petitioners as to call for the judgment of the whole court and as to obviate the necessity for any Justice to withhold his counsel."

The petition for rehearing was filed by Attorneys John T. Cahill and Dan MacDougald. The petition will formally



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go before the court when it returns for the fall term, Oct. 2. It is possible the court's action on the rehearing petition may be announced on its first decision day, Oct. 9.

It may be that the court will receive a brief or memorandum from states' attorneys general in support of the petition. The insurance commissioners association has urged its members to induce their attorneys general to assist in obtaining a rehearing.

A rehearing would open the case to further argument and to reconsideration by the court. However, court attaches say that rarely does the court grant a rehearing. More often, it orders reargument before a decision is announced.

After recessing last June the court, through Justice Rutledge, granted counsel's request for extension of time within which to file petition for rehearing. That extension expired Sept. 1. At the same time Justice Rutledge stayed the court's mandate in the S.E.U.A. case until it has a chance to act upon the petition and, if rehearing is granted, until the case is decided anew after hearing arguments again.

#### Text of Petition

The text of the petition: More than 50 years after the enactment of the Sherman act a minority of the full membership of this court has determined in this case that insurance should be held to be commerce and that the Sherman act should be extended to the business of insurance.

#### NO MAJORITY

Neither in this case nor in *Polish National Alliance vs. National Labor Relations Board*, 64 Sup. Ct. Rep. 1196 (1944) have a majority of the membership of this court determined that insurance should now be held to be commerce. All the justices sitting in the two cases agreed that many aspects of the business of insurance affect commerce and that insurance is thus subject to the appropriate exercise of federal power. But only four justices in this case and three in the *Polish National Alliance* case were of the opinion that insurance should be treated as commerce itself in the absence of further Congressional legislation.

#### Major Questions Unresolved

It is impossible to exaggerate or over-emphasize the importance of the decision in this case to the fire insurance industry. The four opinions handed down by the seven justices who heard the case leave unresolved major questions which vitally affect the business of fire insurance. Doubt has been thrown on the propriety of many insurance practices which have been long encouraged and often required by the states. The extent to which federal and state governments, respectively, may regulate insurance is left unsettled. Hazards have been imposed upon the negotiation of every insurance contract and the very conduct of the insurance business has been rendered perilous.

In justification of their request for a reargument, petitioners urge the following considerations:

I. Since the argument of this case Congress has affirmatively demonstrated that it does not intend insurance to be subjected to the demands of the Sherman act.

II. Under the established principles of this court the constitutional doctrine upon which the present state regulation of insurance is based should not be invalidated by the court in the absence of affirmative evidence as to Congressional intent.

III. The decision in this case leaves in doubt the respective scopes of federal and state powers with respect to the regulation of insurance.

IV. A case of this character should be decided by a majority of the whole court.

#### Presumed Intent of Congress

The prevailing opinion rests the decision that the Sherman act applies to insurance upon the presumed intent of Congress.

Since the argument of this case Congress has enacted a statute which petitioners believe demonstrates affirmatively an intention on the part of Congress, inconsistent with that upon which this decision was based.

On June 1, 1944, after a study extending for more than a year, Congress enacted a rating law for the District of Columbia (Public Law 327, 58 Stat. 224).

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That law provides that all fire insurance companies authorized to do business in the District of Columbia shall organize a rating bureau for the purpose of administering rates, of which all companies must be members.

Fire insurance companies may not deviate from such rates, unless they file with the rating bureau and with the superintendent of insurance the deviation applied for and secure the approval of the superintendent.

Congress has thus recognized the fundamental necessity for concerted action and uniformity in the insurance business, in contrast to the unrestricted competition demanded by the Sherman act. In view of the affirmative evidence that Congress believes the Sherman act to be incompatible with the proper regulation of insurance in the District of Columbia, it cannot reasonably be supposed that

Congress nevertheless intended the Sherman act to be applicable in the 48 states.

Even had the intent of Congress not thus been clarified, the court should, under the principle of *Helvering vs. Griffiths*, 318 U. S. 371 (1943), refrain from invalidating the constitutional doctrine of 75 years' standing that insurance is not commerce on the basis of which all insurance has been conducted and regulated.

#### LEGISLATIVE HISTORY

Petitioners' prior argument was primarily concerned with the contention that the legislative history of the Sherman act clearly and affirmatively showed that Congress did not intend that act to

apply to insurance. The decision of the court extending the Sherman act to insurance rejects this contention, stating: "The most that can be said of all this evidence considered together is that it is inconclusive as to any point here relevant."

The opinion of the court, however, points to no supervening expression of intention by Congress contrary to the ruling of *Paul vs. Virginia*, 8 Wall. 168 (1868) or of *New York Life Insurance Company vs. Deer Lodge County*, 231 U. S. 495 (1913). The decision is based solely on the ground that Congress must be presumed to have intended the Sherman act to be as broad as its constitutional power.

Petitioners now wish to urge upon the court that, even assuming the intention of Congress as shown by the legislative history of the Sherman act to be equivocal,

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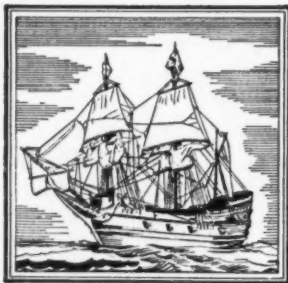
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cal, the principle of judicial restraint with respect to the retention of well-established constitutional doctrines, enunciated in *Helvering vs. Griffiths*, should not be departed from in a case of this character.

In *Helvering vs. Griffiths* this court declined to overrule its previous decision in *Eisner vs. Macomber*, 252 U. S. 189 (1920). It took the position that the scope of the sixteenth amendment to the constitution should not be redefined by the court in the absence of a clear showing that Congress intended to tax the multitude of transactions that had taken place upon the theory, expressed in the older decision, that stock dividends were not income. The basis of the decision in *Helvering vs. Griffiths* was not, as indicated in the opinion of the court in this case, that Congress had expressed a clear and unequivocal desire to legislate only within the area previously declared by this court to be within the federal power. Instead, the basis of the decision in *Helvering vs. Griffiths* was that Congress had not clearly and unequivocally demonstrated an affirmative intention to go beyond the ruling of *Eisner vs. Macomber* and to extend the scope of the revenue act so as to tax stock dividends as income in all situations.

### Congressional Enactment

The Congressional enactment in question in *Helvering vs. Griffiths* stated that: "A distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the sixteenth amendment to the constitution." The parallel to the present case could scarcely be more precise. While the opinion of the court in this case rejects what petitioners regard as clear evidence that Congress intended to exclude insurance from the definition of commerce as used in the Sherman act, it goes no further than to say that Congress must have intended the scope of the Sherman act to be as broad as its constitutional power.

### AFFIRMATIVE LACKING

In the case as in *Helvering vs. Griffiths* there is lacking an affirmative, supervening intention on the part of Congress to go beyond a construction of the constitution upon which much had been built. It is submitted that the same result should follow in each case.

This is not to urge that the court does not have the duty in many situations to reinterpret the scope of the constitution because of changing circumstances or as the result of greater enlightenment or for other reasons, regardless of the presence or absence of Congressional action. Nor is this to urge that the business of insurance should be an exception to the power of Congress to regulate enterprises which conduct their activities across state lines.

### Constitutional Theory

Petitioners are now urging only that when matters of such vast importance and complexity have been based upon a constitutional theory acquiesced in by all three branches of the federal government for more than 75 years, and where there is involved a redefinition of the respective scopes of federal and state power, the initiative for making such a fundamental change lies properly with Congress. It is Congress and Congress alone which can implement that change in an orderly manner and whose action would normally have no retroactive effect.

The confusion as to the respective scopes of federal and state powers has already made itself evident. On June 28, 1944, the district court of Idaho, northern division, in *Ware vs. Travelers Insurance Co.* (No. 1562, not yet reported) struck down the resident agent law of Idaho as repugnant to the fourteenth amendment and also as an undue burden on interstate commerce in the face of the decision in 1940 by this court in *Osborn, et al. vs. Ozlin et al.*, 310 U. S. 53, holding a similar law of Virginia to be constitutional.

This district court decision is illustrative of the confusion which is bound to ensue while state regulatory measures are tested one by one. Neither the states

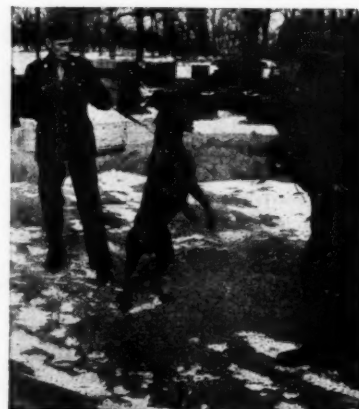
nor the industry can know what they must do, may do, or may not do. The government itself conceded that the application of the Sherman act to the business of insurance would nullify the laws of five states, might nullify the laws of 11 more states, and that the laws of five other states "might" nevertheless be sustained (Government brief, p. 130). The opinion of the court states only that the argument with respect to the invalidation of state laws is regarded as exaggerated.

### PROBLEMS UNRESOLVED

Until it is definitely decided which state statutes will stand, if any, and which will not, many basic problems of vital importance are unresolved. State regulation to which the business of fire insurance has been conformed for many years reflects the firm conviction of legislative bodies and administrative officers gained through experience, investigation and study that concerted action by insurers is essential to the proper conduct of the business and to the protection of the assureds. The decision raises grave doubts as to whether insurers may continue to use the combined experience of the industry for computing proper rates, whether they can continue to use rating bureaus where compelled or permitted to do so by state law, whether they can continue to enter into reinsurance agreements where the premium rate to be charged and shared must be known in advance, and whether there must be as many forms of insurance policies as there are insurers.

Moreover, the effect of the decision is not only to call into question state statutes which are inconsistent with the Sherman act, but also to place all existing state regulation of insurance in jeopardy. Under the doctrine of *Crutcher vs. Kentucky*, 141 U. S. 47 (1891), cited

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in the opinion of the court in this case, a state would be shorn of all power to require a license as a condition to the conduct of the insurance business within its borders, the cornerstone upon which all state regulation is presently based.

The state insurance commissioners, who hitherto have been charged by the states with the supervision of insurance, adopted a resolution at their recent meeting of June 14-17, 1944, pointedly emphasizing the fact that "one of the consequences of this decision is to create doubt, perplexity and confusion with respect to orderly and effective regulation of the business under the regulatory laws of several states," and requesting the attorney general of each state to consider the desirability of cooperating in securing a rehearing of the case by this court.

It is suggested in the opinion of the court that the confusion created by the decision in this case can be resolved by Congress. Problems of the magnitude here involved cannot be quickly solved by any legislative body. It was many years before the states arrived at a system of regulation adequate to meet the problems of an individual state. The problems involved in any federal regulation of insurance are far more complex and diverse than those involved in a single state. A substitute for the present form of regulation cannot be easily arrived at.

#### Ultimate Scope

As indicated in the opinion of Mr. Justice Jackson, a decision at the present time upsetting the state regulation of insurance before a comprehensive substitute is formulated and enacted by Congress can be avoided without the necessity for any justice to change his position as to the ultimate scope of the federal power. Upon a rehearing of this case this court could declare the power of Congress to regulate the business of insurance, without holding that the Sherman act should be extended to insurance. The court would thus leave to Congress the decision as to the functions it wishes to assume with respect to insurance.

#### CONGRESS' ATTITUDE

It can hardly be assumed that should Congress desire to regulate insurance, it would rely solely upon the anti-trust laws. There is no reason to believe that Congress would disregard the experience of the states. Indeed, Congress has already indicated its belief that the public interest with respect to insurance would not be served under the anti-trust laws by the enactment of the District of Columbia rating law referred to above.

Petitioners respectfully submit that in a case of this character the court should adhere to its long established practice (a) of not overruling prior decisions of the court by less than a majority of the whole court, and (b) of not deciding a constitutional question by less than a majority of the whole court.

#### Can't Bind Majority

A minority of four justices cannot speak for and bind a majority of the whole court should the same issues here presented arise again. As this case now stands, accordingly, petitioners, the government, the states, other insurance companies, and the public will be forced to await further costly and time-consuming litigation before the issues now before the court can again be presented and be settled by a majority of the whole court.

In a case of this character, which concerns matters of vast significance to the public, which overrules prior decisions and which decides constitutional questions of unusual importance, the court should speak with finality.

(a) The effect of the opinion of the court in this case is to overrule the long line of cases beginning with *Paul vs. Virginia*, 8 Wall. 168 (1868) by less than a majority of the whole court.

Petitioners have been unable to find a single decision by this court other than the instant decision in which a previous holding of the court has been overruled by less than a majority of the whole court.

Moreover, in this case the principle of *Helvering vs. Griffiths* has been departed from by the three justices who dissented in *Helvering vs. Griffiths* and by the justice who did not sit in that case. Two justices who formed part of the majority of five in *Helvering vs. Griffiths* did not sit in this case. A principle arrived at by a majority of five justices has in effect been overruled by a minority of four justices without any change in the court and without any justice having changed his position.

(b) The effect of the opinion of the court in this case is also to decide a constitutional issue by less than a majority of the whole court. While the opinion of Mr. Justice Jackson would support the future action of Congress in regulating insurance under the commerce power, it would not at this time either overrule the *Paul vs. Virginia* line of cases nor disrupt the constitutional "fiction" that the business of insurance, while affecting commerce, is not commerce.

Until the October term, 1943, this court has followed the practice insti-

tuted by Chief Justice Marshall in 1834, that a case involving a constitutional question will not be decided unless a majority of the whole court concurs, except in cases of absolute necessity. *Briscoe vs. The Commonwealth Bank of the State of Kentucky*; *Mayor of the City of New York vs. Miln*, 8 Peters \*118 (1834).

At that time the Supreme Court consisted of seven justices and the opinion of Chief Justice Marshall in both cases reads as follows:

"The practice of this court is not (except in cases of absolute necessity) to deliver any judgment in cases where constitutional questions are involved, unless four judges concur in opinion, thus making the decision that of a majority of the whole court. In the present cases, four judges do not concur in opinion as to the constitutional questions

which have been argued. The court therefore directs these cases to be re-argued at the next term, under the expectation that a larger number of the judges may then be present." (p. \*121).

#### Decision Again Postponed

The decision in these cases was again postponed in 1835, 9 Peters \*85 (1835), neither case was decided until 1837, 11 Peters \*102 (1837), 11 Peters \*257 (1837), and the *Briscoe* case was decided contrary to the opinion of a majority of the justices who heard the former argument.

The foregoing practices of the court should be applied here if they should be applied in any case. Nor need the result be that the court withhold or delay its decision. Petitioners respectfully submit that the public importance of the issues here involved so far transcends the private interest of petitioners as to

call for the judgment of the whole court, and as to obviate the necessity for any justice to withhold his counsel. In *United States vs. Socony-Vacuum Oil Co., Inc.*, et al., 310 U. S. 150 (1940), this court held that:

"Any combination which tampers with price structures is engaged in an unlawful activity." (p. 221).

Insurance cannot be conducted under that rule of law. Combined experience and the equal spreading of the cost of insurance to the public are essential. Contracts of reinsurance, without which many risks cannot be underwritten at all, require that the premium rate to be charged and shared be known in advance. That concerted action of this character which clearly runs counter to the unrestrained competition concept of the Sherman act is essential in the conduct of insurance has been recognized

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by Congress and the states and indeed by this court when it said in *Osborn, et al. vs. Ozlin, et al.*, supra: "Government has always had a special relation to insurance. The ways of safeguarding against the untoward manifestations of nature and other vicissitudes of life have long been withdrawn from the benefits and caprices of free competition." (p. 65).

### Special Clause Solves Problem of Furrier Cover

(CONTINUED FROM PAGE 8)

garments perhaps once a week instead of daily as they used to and instead of four or five garments they may get as many as 25 at one time. Consequently, instead of having around \$1,000 exposed in transit or at the cleaners, the furrier may well have \$25,000 worth of merchandise on the truck. The furrier points out that the cleaning company has insurance, which may be true, but the cleaner may also be picking up coats from the furrier's competitors and run into difficulty because of underinsurance. The furrier should have sufficiently large limits both on transit and at the cleaning plant so that his exposures are covered.

The important thing to point out to the furrier in connection with the transit coverage is that he should not depend on other bailees' insurance protection.

Some furriers sell garments on a time payment plan under conditional sales agreements. In these agreements it is provided that the title remain with the furrier until the total amount of the obligation is paid. Yet furriers issue furrier's customers' insurance certificates. This is not technically permitted under the terms of the insurance, because the coat does not belong to the customer. However, it is a general practice in the fur business. Consequently, Mr. Lenz arranges to get from the insurers an acknowledgment of the situation in advance of any loss, after which there might otherwise be considerable dispute.

In the late summer and early fall there are always a number of garments in the workroom being repaired and refurbished. The furrier has an adequate vault limit, perhaps, but he may not have a limit high enough for outside coverage. The cost is small.

The cost to the furrier of covering exposures while at a cleaning establishment, especially if the cleaner has a high fire rate, is high. If the furrier is smart, he will check the fire rates in advance on the establishment to which he intends to send his garments, Mr. Lenz points out.

There are one or two other exposures which are rather common for most furriers, and which should be checked very carefully when providing an insurance program for the furrier. The furrier

## IN U. S. WAR SERVICE

Lt. Franklin J. Marra of the army air forces, who was in the New York office of American of Newark before entering service in 1941, has received the distinguished flying cross for extraordinary achievement as a pilot of a Flying Fortress over Germany. He has been awarded also the air medal and three oak leaf clusters.

Tech. Sgt. John Budill and Corp. Norman J. Barnes, former employees of Hartford Accident were feted in Hartford by 40 of their former associates on their return from overseas duty with the armed forces. Corp. Barnes spent 30 months with the coast artillery in the southwest Pacific. Sgt. Budill has been in South America with a signal and engineering unit.

M. C. McWilliams, who was connected with the John Brown agency of St. Joseph, Mo., and who was president of the St. Joseph local board, has been promoted from captain to major in the army air force. He is intelligence officer for all units of the third bombardment division at the 8th air force bomber station in England.

C. T. Mills, formerly special agent of North British in Missouri, who has been stationed at Memphis in the headquarters of the second army, is one of four men chosen from the entire second army to attend officer's candidate school at Aberdeen, Md.

may send out his own garments to a customer for examination and approval. He will send out his own garments for cleaning, glazing, repairing, monogramming, etc. He also has a certain amount of transit exposure on his own property. He may also exhibit completed garments at style shows.

All of these exposures can be covered under a special form designed for the furriers' own property, Mr. Lenz comments.

### Lend-Lease Cargo Losses

WASHINGTON — Vice Admiral Emory S. Land, maritime commission chairman and war shipping administrator, in an article on the future of the American merchant marine in "Foreign Commerce Weekly," published by the Commerce Department, says that U. S. flag ships last year carried the bulk of lend-lease cargo shipped abroad. The article says that less than 2% of such cargoes was lost in 1943, compared with 5% in 1942. For example, a year ago, it is stated, 12 out of every 100 ships were lost supplying Russia, whereas today only one out of every 100 ships on the Russia supply line is being sunk.

1794

150TH ANNIVERSARY

1944

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## Convention Dates

Sept. 7-9, International Association of Insurance Counsel, Chicago, Edgewater Beach Hotel.

Sept. 8, Michigan agents, Detroit, Book-Cadillac Hotel.

Sept. 9, Nevada agents, Reno, State Building.

Sept. 11, Insurance section National Tax Association, St. Louis, Jefferson Hotel.

Sept. 11-12, Montana agents, Helena, Placer Hotel.

Sept. 11-13, International Claim Association, Chicago, Edgewater Beach Hotel.

Sept. 11-13, Insurance Section, American Bar Association, Chicago, Medinah Club.

Sept. 13, Pennsylvania agents, Harrisburg, Penn-Harris Hotel.

Sept. 15, Delaware agents, Dover, Pleasant Inn.

Sept. 25, West Virginia Agents, Huntington.

Sept. 29, New Jersey agents, Trenton, Stacey-Trent Hotel.

### Launch Steamer Alden J. Evans

The steamer Alfred J. Evans, which was named for the man who served as chief surveyor of the Board of Underwriters of New York from 1924 until his death recently, was launched the other day at the New Orleans yard of the Delta Steamship Company. The vessel was sponsored by Mrs. Mary Eden Fisher of Beechhurst, N. Y., daughter of the late Captain Evans. Among those attending were Harry J. Parker, who succeeded Captain Evans as chief surveyor of the board and H. L. MacPherson, the board's representative at New Orleans. Captain Evans was an authority on cargo stowage and was instrumental in the adoption of many regulations now used in connection with the safety of crews, vessel and cargo.

### Auto Premiums Up 10%

The automobile premium volume of fire companies appears to be ahead generally and for some groups is up about 10% in spite of the fact that thousands of cars are being junked each day. The main factors appear to be the realization of motorists of the high price they would have to pay for replacements or repairs, the greater affluence of most car owners, and the growing realization

among agents that prospects are more willing to carry insurance than they have ever been.

### Big Loss in Lebanon, Ind.

Fire in Lebanon, Ind., with loss estimated at \$400,000, swept an important area of the business district. The two-story Cason & Neal building was completely ruined. The three-story Castle Hall building also was a total loss. The only building left intact on that section of the square is the Boone County jail. The same three-quarters of the square was razed by fire early in 1903 with an

estimated loss of \$125,000. Fire departments of Indianapolis, Frankfort and Thorntown sent help.

### Clarify Mich. Tax

LANSING, MICH.—Taxes may be collected in Michigan only on such tangible personal property of insurance companies as is owned or held for investment purposes, according to an attorney-general's opinion furnished Stanley J. Borucki, investment examiner for the insurance department. The 1941 amendment, the opinion points out has the effect of limiting "taxation to that

tangible personal property owned or held for investment purposes."

Sid G. Spear, Malone and Massena, N. Y., agent, has purchased the F. L. Hosmer agency at Massena. The Hosmer agency was established in 1884 by George E. Britton, who sold it to Mr. Hosmer 18 years ago. Mr. Spear has been a local agent since 1926. This is the eighth agency he has purchased since then.

A "must" for every A. & H. man's library—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.



## This Answers Questions About EXPLOSION INSURANCE

A NEW EXPLOSION INSURANCE CLAUSE states:

"This Company shall not be liable for loss by explosion originating within steam boilers, steam pipes, steam turbines, steam engines, fly wheels, located in the building(s) insured, or in building(s) containing the property insured."

DO YOU KNOW . . . why such liability is excluded? Whether the designation "steam boiler" means the fire box of a boiler or the flues that conduct the gases? Whether the term "steam engines" includes the wheels and gears on engine shafts, or other auxiliary apparatus on the frame of the engine? Whether damage from steam escaping from a blown-out radiator valve would be covered? Whether an explosion of a hot water heater would be covered?

These and other questions that arise from the New Explosion Insurance Clause . . . questions that agents and brokers want to be able to answer . . . are dealt with in a new booklet just released by Fire Association Group.

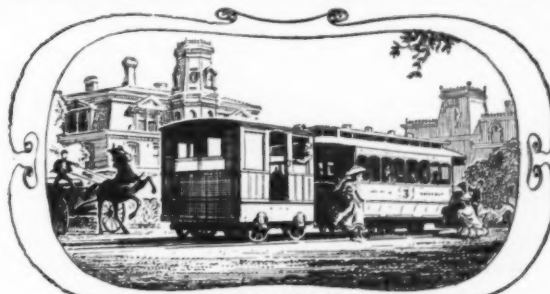
Write for your copy of "More Puzzling Questions . . . This Time About Explosion Insurance". You will find it decidedly helpful as a general statement of the attitude of our companies, although it cannot be offered as final authority for treatment of any explosion claim.

FIRE ASSOCIATION GROUP, 401 Walnut St., Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

### LISTEN TO LELAND STOWE'S NEWSCAST

— Sponsored by National Board of Fire Underwriters . . . every Saturday evening over 70 stations of the Blue Network. Consult Newspapers for your local time, and tell your clients to listen to this famous commentator.

## INSURANCE CALENDAR



SEPTEMBER

On September 1, 1885, the first electric street railway in U. S. went into operation in Baltimore; it drew power from a third rail. About the same time, people began to use electricity in homes. As the Nation's electrification progressed, leading

fire insurance companies like those in Fire Association Group did all they could to improve equipment and installation standards — and thus reduce electrical fire hazards to a minimum. That's one reason why rates are so low today!

1944—SEPTEMBER hath 30 days

"It takes two to make a black market transaction!"

### ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

SEP.	Latitude +30°	Latitude +35°
1	5:36 6:23	5:32 6:27
6	5:39 6:17	5:36 6:20
11	5:42 6:10	5:39 6:13
16	5:45 6:04	5:43 6:06
21	5:47 5:58	5:47 5:59
26	5:50 5:52	5:50 5:51

SEP.	Latitude +40°	Latitude +45°
1	5:27 6:32	5:21 6:38
6	5:32 6:25	5:27 6:29
11	5:37 6:16	5:33 6:19
16	5:41 6:08	5:39 6:10
21	5:46 6:00	5:45 6:00
26	5:51 5:52	5:51 5:51

SEP.	Latitude +30°	Latitude +40°
1	5:51 4:00	6:09 3:40
3	7:19 6:19	7:25 6:11
5	8:40 8:36	8:34 8:40
7	10:04 10:47	9:46 11:02
9	11:35 12:51	11:11 1:13
11	12:24 2:39	12:01 3:04
13	2:10 4:09	1:48 4:31
15	3:58 5:24	3:42 5:38
17	5:43 6:29	5:36 6:33
19	7:27 7:30	7:30 7:26
21	9:13 8:37	9:26 8:23
23	11:05 9:56	11:26 9:34
25	12:55 11:36	1:26 11:10
27	2:48 12:35	3:12 12:09
29	4:25 2:46	4:40 2:28

To obtain local times of sunrise and sunset: for longitudes other than the standard meridians (i.e., 75°, 90°, 105°, and 120°, for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Fr. — 1932, "Jimmy" Walker, N.Y.C. Mayor, resigned.
- 2—Sa. — Full Moon, 3:21 P.M., E. S.T.
- 3—Su. — 1876, St. Hyacinthe, Quebec, nearly wiped out by fire—property loss, \$15,000,000.
- 4—M. — LABOR DAY.
- 5—Tu. — Protect the fruits of your labor—make sure all your property is insured adequately!
- 6—W. — 1620, Mayflower set sail from England.
- 7—Th. — 1630, settlement of Boston, Mass.
- 8—Fr. — 1934, Morro Castle burned off N. J. coast.
- 9—Sa. — Last Quarter, 7:03 A.M., E. S.T.
- 10—Su. — 1755, Acadians exiled from Nova Scotia.
- 11—M. — 1925, end of capital punishment, New So. Wales.
- 12—Tu. — 1866, Kansas State University opened.
- 13—W. — 1814, Key composed "Star Spangled Banner".
- 14—Th. — 1918, Eugene V. Debs sentenced to prison.
- 15—Fr. — 1942, U. S. aircraft carrier Wasp torpedoed.
- 16—Sa. — MEXICAN INDEPENDENCE DAY.
- 17—Su. — New Moon, 7:37 A.M., E. S.T.
- 18—M. — Property insurance rates never were lower!
- 19—Tu. — 1922, Harding vetoed Soldiers' Bonus Bill.
- 20—W. — 1931, England went off gold standard.
- 21—Th. — 1938, high winds and floods swept N.Y. and southern N. E.—damage estimated at \$500,000,000.
- 22—Fr. — 1776, Nathan Hale executed by British.
- 23—Sa. — Don't put it off any longer—call your Agent or Broker for a property insurance check-up now.
- 24—Su. — 1869, "Black Friday" in New York City.
- 25—M. — First Quarter, 7:07 A.M., E. S.T.
- 1513, Balboa discovered Pacific Ocean.
- 26—Tu. — 1918, Meuse-Argonne offensive began.
- 27—W. — 1910, Asst. Postmasters put in Civil Service.
- 28—Th. — 1781, siege of Yorktown began.
- 29—Fr. — MICHAELMAS DAY.
- 30—Sa. — 1943, start of Nazi evacuation of Naples.

OBSERVATION for September: There is only one way to make sure that your property insurance is always in line with today's steadily advancing replacement costs. And that is to . . .

MORAL for September: . . . have your Agent or Broker review your property insurance frequently!

PROPERTY INSURANCE  
Fire—Automobile—Marine

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CONSULTANTS IN PROPERTY ECONOMICS



## EDITORIAL COMMENT

### Protection in Graves Report

The insurance business should realize satisfaction in the report of the Graves' committee on federal legislation that was given formal approval by the executive committee of the National Association of Insurance Commissioners at St. Louis. The insurance commissioners set out immediately after the S.E.U.A. Supreme Court decision was handed down June 5 to prepare a statement behind which the business as a whole could stand and to outline a recommended course of action that would become the solidified program of the industry. It was apparent that unless the insurance industry and the state officials could find some ground on which to stand together and speak in unison there was the danger that foreign interests might proceed to give the signals.

It was interesting to watch the stages of development of the discussion. The first opportunity to talk it out was at the annual meeting of the National Association of Insurance Commissioners in Chicago the week after the decision had been rendered. For almost an entire week the implications of the decision and the policy to be pursued was the sole topic of discussion of the state officials and the several hundred camp followers on hand. At that time

the task of compressing the hundreds of views that were being expounded with such animation into a common mold to which practically everyone could subscribe seemed formidable. Yet at each succeeding gathering the various issues and questions became ever more clearly defined and the area of difference was gradually reduced. The task, we venture to say, was accomplished in as short a time as was possible. There was never any delay and the greatest statesmanship and intelligence was evident throughout.

Monday morning quarterbacks who may be disposed to find fault with this or that portion of the report would do well to reflect that the statement could not have differed materially in any respect and still have represented the consolidated opinion of the industry as of this date. The important consideration is that a common denominator has been produced and that, we are convinced, is protection against the mushrooming of schemes for overhauling the business and supervision on the part of politicians and economists, well intentioned or otherwise. Those who would now like to do some carpentry work on the insurance business at least will not be able to exploit intra insurance crevices.

### War Course for Young Men

Undoubtedly there will be a magnificent opportunity for young men who are in military or naval service to become well located when the hostilities are over. A war is a horrible catastrophe in whatever way we view it. However, there are certain aspects that are interesting and have a tendency to strengthen men.

A young man goes from the insurance business and joins the armed forces. He may have had a good high school education and he may have had four years or less in college. He was going along in his work in a steady way. Now he is thrust in an entirely different environment. He is subject to discipline, regulation, regimentation. He has to obey. There are every day demands that strengthen him if he has a healthy and wholesome spirit and mind. He is thrown with men of all classes and he learns how to deal with them. He becomes a much keener and more accurate student of human nature.

It may be that he is given an assignment of teaching some special procedure in the war. He may have supervision

over other men. He learns how to treat men with whom he is connected in a human way. He is learning to be a boss. These experiences are setting him forward a number of years. He probably already is six years ahead of what he was when he was back in the insurance business.

When these young men have been tried seriously and not found wanting they are going to be valuable persons in the business. They will be better salesmen, better executives, better supervisors, better underwriters, have a broader view of life and a more complete and accurate understanding of men. There are men who have gone through this war course who have not been in the insurance business but probably have some ambition to join the ranks. Certainly there will be an overwhelming demand for the right kind of young men.

Today the younger ranks are despoiled. There are many gaps that will have to be filled. War training has not only given men a training that they never had along spiritual and mental

lines but it has strengthened and stiffened their physical being. They have had to endure hardships but if they can

stand up under it they will be better prepared to meet vexing problems, exigencies and emergencies.

## PERSONAL SIDE OF THE BUSINESS

### DEATHS

**Henry S. Moser** of the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse has been in Evanston hospital with a streptococcal throat infection. He is expected to return to the office in a few days.

**Fred C. Wolf** of Cleveland, state agent of New York Underwriters for eastern Ohio, is celebrating his 25th service anniversary. He joined the organization as a junior clerk in the New York office in 1919. Two years later he was appointed special agent in Kansas, being advanced to state agent in Nebraska in 1925. In 1930 he was transferred to Ohio with headquarters in Cleveland.

Superintendent **Frank N. Julian** of Alabama, one of the most beloved men in official life, who has undergone a long and severe siege of illness, is able to go to his office now. While he is not back in real form he is dispatching considerable business. He does not know whether he will be able to attend the New York meeting of the commissioners or not. He is on the program to talk before the Alabama Association of Insurance Agents at Birmingham this week, but it is doubtful whether he can make the grade. He is holding out hope for the New York meeting.

"Uncle Frank" says to THE NATIONAL UNDERWRITER, "I am back on the job almost regularly and my condition is, I suppose, as good as I could hope for. I had a pretty severe time but I am able to come to the office now. I can eat practically anything I want. I can take a small snifter daily but I cannot smoke."

**J. W. Rodger**, who recently resigned as manager of the Insurance Board of St. Louis after many years of service, is reentering the insurance business as a broker for the Lon W. Harlow & Co. agency there.

**John F. Sullivan**, associate manager of the Frank Burns Company, reinsurance intermediaries of Seattle, is busily engaged these days in managing the campaign for reelection as Washington insurance commissioner of his uncle, W. A. Sullivan. John Sullivan was formerly connected with the Washington department. He is also serving on the volunteer port security force at night. After the election he intends to leave for the east and not to return until just before Christmas.

Chief **Frank McAuliffe** of the Chicago Fire Insurance Patrols was elected second vice-president of the International Association of Fire Chiefs at the annual convention last week in Grand Rapids, Mich. He is thus in line for the presidency in 1946. Heretofore he has consistently declined the honor. He is the first fire insurance patrol chief to be accorded the honor.

The office of **W. S. Hukill, Jr.**, was a scene of a ceremony in which B. J. Houston, chief of the Cincinnati fire department, presented a gold district chief's badge to Mr. Hukill on the 60th anniversary of his entry into the insurance business. Accompanying Chief Houston were field men, Blue Goose members and Cincinnati newspaper men.

**Frank J. Goold**, 62, local agent, Blackwell, Okla., for 18 years, died there. Mrs. Goold will continue the agency.

**George B. Riker**, 79, former Blair, Neb., insurance man, died in Denver. He was at one time associated with S. W. Chambers in the insurance business.

**Robert L. Brewer**, 73, Rogers, Ark., local agent until illness forced his retirement two years ago, died there.

**John C. Starrett**, assistant manager of the Chicago and Cook county office of Home, died at his home in Chicago, Sunday, at the age of 53. His health had been impaired for about a year and a half and he had been unable to attend to his work for nearly a year. He started with Home in 1906 and for some time was manager of the automobile department in Chicago before becoming assistant manager of the office. In addition to Mrs. Starrett he is survived by two daughters and three sons, two of whom are in the army air forces.

**Charles C. Rogers**, 77, senior member C. C. Rogers & Son, Washington, D. C., is dead. Mr. Rogers went to the District of Columbia in 1890 and served as collector of taxes from 1908 to 1914, when he resigned to enter the insurance business.

**George E. Hill**, 72, who retired in December, 1940, after 30 years as New England special agent for Citizens of the Hartford group, died at his home in Newton, Mass. He was born in Manchester, N. H., and his first insurance experience was in the home office of New Hampshire Fire. He then became field man for Federal of New Jersey and later with North River, going with Citizens in 1910, covering all New England except Connecticut and Vermont. He had been ill for about a year.

**Thomas Hibben**, 7, grandson of C. Ward Seabury, president of Marsh & McLennan, died in Evanston hospital of poliomyelitis. A brother, Ward Hibben, 5, was accidentally electrocuted Aug. 4, while playing on the Hibben estate, Glenview, Ill.

**Walter H. Eckert**, 64, senior member of the Chicago law firm of Eckert & Peterson, died at his home in Hinsdale, Ill., Monday. Aside from his corporation and general practice he specialized on insurance law. He handled largely the work of the Life Insurance Association of America at Chicago and was general counsel of the Federal Life of Chicago. He was also general counsel of Franklin Life of Springfield, Ill. He graduated from Northwestern University. He was formerly chairman of the Legal Section of the American Life Convention and secretary of the Insurance Lawyers Club of Chicago.



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## O'Mahoney Lauds Commissioners' Legislative Aims

### Bailey Bill Foe Says State Officials Offer Constructive Plan

WASHINGTON—The recommendations of the legislative committee of the National Association of Insurance Commissioners "apparently form the basis for a constructive settlement of the whole insurance legislative problem," said Senator O'Mahoney to THE NATIONAL UNDERWRITER correspondent. "Legislation which would carry these principles into effect would have my support, and I know of no source of opposition," he added. O'Mahoney has been the leading foe of the Bailey bill to exempt insurance from the anti-trust laws.

The Senator regards the recommendations as evidencing "substantial progress . . . toward an agreement on legislation that will preserve state regulation of insurance while, at the same time avoiding the prohibitions of the federal anti-trust laws against combinations that restrain trade."

"The recommendations," he said, "are in line with the formula I have urged from the beginning, which is that the insurance industry should definitely state what sort of agreements, combinations and associations are necessary in the conduct of the business, and get clearance for them."

#### Basis for Protection

"The recommendations constitute the basis for the protection of state regulation of insurance and protection of members of the insurance industry itself from combinations in restraint of trade."

"I have always wanted to strengthen state regulation, but one objection to the Bailey bill is that it would give the insurance industry a license to violate the law."

Pointing to the N.A.I.C. executive committee's resolution favoring sponsorship of necessary legislation by joint committees representing that association and all branches of the industry, O'Mahoney said that the National Association of Mutual Insurance Agents had taken "a similar position suggesting an industry conference."

"I have talked with various insurance executives in various branches of the business and I find the same disposition among them," said O'Mahoney.

"In addition to the state insurance commissioners who were members of the subcommittee on federal legislation and who signed the report, other state insurance commissioners are co-operating to the same end. I have, for example, been in correspondence with Insurance Commissioner Maynard Garrison of California who is one of the outstanding and efficient state insurance authorities. He tells me that he is working toward the same end."

"I have had the opportunity of conferring with Mr. Leroy A. Lincoln, president of the Metropolitan Life Insurance Company, and Mr. J. A. McLain, president of the Guardian Life Insurance Company. These gentlemen are respectively heads of the Life Insurance Presidents Association and of the American Life Convention. They have both told me that principles outlined by the commissioners subcommittee are quite acceptable to them."

## Tells Story of Insuring the Greenland Bases

Hartford Accident, with the approval of the War Department, has now released information about the insuring of the construction of air bases, military camps, hospitals and weather and radio stations in Greenland. Four Hartford Accident men were on the job personally at various times, they being Richard W. Cross, Jr., from the home office; Robert A. Appert of Pittsburgh; Arthur Donahue of New York and Wilbur A. Stevens of Newark. They operated under the direction of the New York office. Mr. Cross and Mr. Appert did the pioneering work and the other two men went over at later dates. Mr. Cross is now an ensign in the coast guard and Mr. Appert is an ensign in the navy.

These men had to operate as claim men, engineers, auditors and perform every other necessary service.

#### "Wireless Press" Issued

During the construction period, Mr. Cross got out a mimeographed bulletin called "Wireless Press." He printed news bulletins gleaned from the radio and wound up every bulletin with a safety message.

Hartford Accident received a letter of commendation from the contractors and praise from Under Secretary of War Patterson for the services rendered by Mr. Cross.

#### U. S. Cars Not Under Cal. Code

SAN FRANCISCO — Automobiles owned by a post exchange or a ship's service department of the military and naval establishments, including the army, navy, marine corps and coast guard, are not motor vehicles within the purview of the California motor vehicle code and, therefore, do not fall under the agreement relating to motor vehicle insurance, according to an interpretation by Commissioner Garrison. The commissioner says examination of the military regulations and of court cases established not only that the particular automobiles need not be registered under the vehicle code but also that the state is without power to require such registration, inasmuch as the automobiles are directly owned by a federal agency.

#### 68% Had Auto Cover in Indiana

INDIANAPOLIS—During the first eight months in which the new Indiana motor vehicle safety responsibility law was in operation 32% of car owners and operators who figured in highway collisions posted \$131,307 to cover damages. The remaining 68% of drivers figuring in accidents had insurance as evidence of financial responsibility, according to Don F. Stiver, state director of public safety.

#### Special Invitation for Claim Men

Claim men interested in workmen's compensation law have been invited to attend the round table on that subject which will be held Sept. 12, 9:30 a.m., at the Medinah Club, Chicago, as a part of the program of the insurance section of the American Bar Association. C. W. Heyl, Peoria, Ill., chairman of the committee, who extended the invitation, explains that the round table will emphasize compensation problems arising after the war when injured men return to former employment.

#### Engineers to Hear Safety Man

The Casualty Engineers Association of Chicago will hold its first fall dinner meeting Sept. 8, at the Y.M.C.A., when Bernard Clark, safety director of Kropp Forge Co., Cicero, will speak.

## Union Getting Out Guide on Group Cover

NEW YORK—Comprehensive group insurance plans will generally be incorporated in future contracts between unions and employers if the program of C.I.O. unions as exemplified by the United Electrical, Radio & Machinery Workers of America is carried out. This is the third largest in the C.I.O. group with 700,000 members and 400 locals in the radio and electrical industries. The union is working on a guide to remove the mysteries of insurance for the understanding of its members and to assist negotiating committees in securing the maximum group insurance benefits in contracts with employers. While seeking to include group insurance benefits in such contracts, the union intends to continue to support efforts to make the Wagner-Murray-Dingell bill a reality.

The union presently has contracts with approximately 1,000 employers with 300,000 of its members represented in the General Electric and Westinghouse firms. Many of the employers already have group plans in force, but they are not part of the union contract and are below the standard in general which the union considers to be the minimum. The minimum standards include comprehensive life, accident, disability, hospitalization and surgical benefit coverage.

Incorporation of group insurance plans in bargaining agreements between unions and employers has been growing steadily the past several years. It is an important factor in group sales. The Trade Union Agency of which M. E. Segal is president has worked out more than 100 such plans covering 350,000 workers in the New York area in the past 2½ years. The agency works out a specific program and a plan is set up on a joint labor-management basis. Premiums are paid by the union, by the joint labor-management group, or by the employer.

#### Form Bank Deposit Insurer

RICHMOND—A charter has been issued to the Bank Deposit Insurance Corporation of Richmond by the Virginia corporation commission. Forest H. Richards, the president, said the new concern plans to insure deposits of industrial banks not eligible under the federal deposit insurance law. Coverage will be reinsured with surety companies, according to plans. Most of these banks are located in West Virginia, Indiana, Wisconsin and California. Mr. Richards said he is not directly interested in the new company, but that he is acting for the Industrial Bankers Association. He is state manager at Richmond for Pennsylvania Casualty and North American Life. The association is planning to hold its annual meeting in Richmond this fall and hopes to have the corporation in shape to begin business by that time. Capital is limited to \$1,000,000 with a minimum of \$250,000. The declared purpose is to engage in surety and indemnity bonds and in the stock and bond business.

#### Open Va. Educational Program

RICHMOND—First official explanation of the new Virginia motor vehicle safety responsibility law was made by C. F. Joyner, Jr., state commissioner of motor vehicles, in a broadcast over WRVA station here, opening a four-months educational program to acquaint the public with provisions of the new law, effective Jan. 1.

#### Capital Now \$1 Million

Capital of London & Lancashire Indemnity has been increased from \$750,000 to \$1 million by a stock dividend.

## Summons SS Planners to View Existing SS Setup

### Eric Johnston Cites Private Insurance as Superb Security System

Eric Johnston, president of the U. S. Chamber of Commerce, highly praises the private insurance industry and emphasizes that, in considering the subject of social security, it should be remembered that here is in operation a system providing social security in bountiful measure and capable of immense expansion.

His views are set forth in an article in the forthcoming issue of the "Casualty & Surety Journal."

Mr. Johnston observes that through private enterprise "a super-social security system is already here." He points out that some post-war planners advocate a vastly expanded system of federal social security after the war, and then questions the need of "elaborate blueprints for a super-federal social security system."

Mr. Johnston does not condemn the present system of federal social security. As a matter of fact he advocates extending participation in it to groups now excluded.

Then, he adds, however, that the private security system of insurance already protects virtually the entire public in one way or another—"protects almost every citizen and millions of businesses."

#### Favorite Pastime

"A favorite pastime of some post-war planners," Mr. Johnston writes, "is the projection of elaborate blueprints for a super-social security system. Interest in the subject can be measured by the voluminous amount of speculation devoted to it. The public has become increasingly social security conscious—and rightfully so, for the question is one of broad public interest. I have gone on record myself as favoring an extension of our present system of federal old-age benefits to other classes of beneficiaries."

"But in conjecturing on post-war social security, too many would-be planners too often overlook one striking fact planted under their very noses. The theorists look abroad for ideas and guidance (it's still greener on the other side of the fence) and forget that America already has a system of security whose scope is unique in the world's history."

"This security system does not depend on the paternalism of a super-state. It is purely a private matter, administered by private enterprise. It does not add to the tremendous tax burden shouldered by the public—but, to the contrary, shares the burden. It protects more people from the hazards of more kinds of risks to life, limb and property than any security system the world has ever devised. It is a system as American as apple pie, for it was conceived and developed in the adventurous American spirit of individual initiative and enterprise."

"In one way or another, the private American security system protects virtually the entire public—protects almost every citizen and millions of businesses. Its highly constructive influence is felt

(CONTINUED ON PAGE 28)

### Casualty Net Premiums and Paid Losses in 1943 in FLORIDA

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.							
	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses							
Accident & Cas.	103,605	34,750	27,652	6,938	13,294	720	39,080	19,865	88	1,218	845	6,821	882	14,806	6,307
Aetna Casualty	580,905	188,102	71,265	17,901	107,238	15,231	254,930	108,786	58,095	27,624	3,386	24,493	4,469	57,788	12,280
Allied	27,821	7,824	19,197	5,881										8,610	1,943
American Auto	134,734	32,200	63,854	15,592	13,276	123	25,050	7,355			642	10	2,330	29,449	9,120
American Cas.	19,511	6,395	3,533	3,363	5,507	655	5,229	1,426			1,042	265	2,086	55	731
American Employ.	118,240	26,095	28,981	2,435	18,564	119	32,211	14,927	5,894	-63	3,514	1,380	10,636	811	16,713
Amer. Fid. & Cas.	179,022	80,853	148,002	53,725										31,020	27,128
Amer. Fire & Cas.	606,987	153,865	203,995	48,546	12,270	1,185	16,997	6,711	5,102	549	2,180	535		196,785	61,528
Amer. Guar. & Liab.	2,590	376	-1		140								15		
Amer. Indem.	50,179	15,298	16,644	7,645	699	1,182			4,836		925	690	3,520	58	15,934
Amer. Motorists	18,233	3,942	2,569	265	843		3,093	907					17	11,550	2,555
Amer. Mut. Liab.	584,445	199,036	17,557	3,605	64,915	726	476,523	190,949	1,350	-225			954	23,137	3,981
Amer. Policyholders	26,195	2,851	18,343	1,199										7,853	1,653
Amer. Surety	383,068	73,879	16,939	8,887	44,376	6,814	126,651	43,021	168,285	8,325	966	597	5,530	1,362	18,891
Amex Indemnity	6,323	688	479		4,171	48	884	343					571	230	161
Assoc. Indem.	59,628	31,323	2,341	150	5,102	930	50,187	29,417			427	94	68	90	1,475
Bankers Indem.	4,791	966	1,263	17	373		1,319	570			40	59	942	95	774
Bituminous Cas.	427,754	170,823			20,861	2,596	398,538	167,203						8,355	1,024
Car & General	50,510	21,234	32,148	2,703	5,601	563	20,720	15,207			235	577	5,176	707	6,578
Casualty Recip. Ex.	87,284	40,601	16,626	9,905	3,328	187	57,860	26,055			412	25		7,478	4,389
Central Surety	224,266	71,972	44,387	6,386	17,865	3,850	110,940	52,317	13,954	-511	3,345	1,141	7,560	950	25,922
Century Indem.	77,712	17,942	17,131	2,157	53,183	11,632	1,039	103	4,663	337	110		784	333	8,737
Citizens Casualty	14,911	938	14,633	447	31									247	491
Columbia Casualty	237,262	60,349	45,745	2,708	35,397	1,553	84,769	35,106	21,629	989	3,254	1,448	9,929	3,238	21,400
Commercial Cas.	74,063	27,337	17,218	7,591	6,454	109					1,519	1,425	3,493	804	7,424
Commercial Stand.	28,362	4,602	1,456	3,049	294		45	48			347		390		2,285
Consolidated Unds.	37,005	10,717	1,297		309		33,141	10,170						1,643	519
Continental Cas.	694,028	214,581	156,596	35,474	46,043	2,882	217,093	90,433	44						

## Other Casualty Business in Florida

ACCIDENT & HEALTH			Premia.		Losses					
	Premia.	Losses								
Aetna Life .....	\$ 184,610	\$ 123,070	Great Amer. Ind. ....	3,596	584	Provident L. & A. ....	152,999	69,021	General Cas., Wash. ....	5,581
Aetna Casualty .....	3,915	898	Hartford Accid. ....	19,151	3,135	Prudential .....	5,168	50,435	Globe Indem. ....	711
Accident & Casualty .....	635	93	Hardware Mut. Cas. ....	315	.....	Relliance Life .....	51,055	12,489	Hartford Steam Boiler. ....	136,671
American Auto .....	133	.....	Illinois Bankers Life.. ...	55	28	St. Paul-Mercery .....	3,093	509	London Guarantee .....	2,274
American Casualty .....	75	.....	Indem. of N. A. ....	9,117	3,387	Standard Accident .....	7,267	3,150	Lumbermen's Mut. Cas. ....	1,950
American Employers .....	558	31	Inter-Ocean Cas. ....	55,061	35,283	Sun Indemnity .....	1,005	44	Maryland Cas. ....	-143
American Motorists .....	250	215	John Hancock Mut. ....	27,805	15,748	Travelers .....	400,373	134,861	Ocean Accident .....	31,500
American Surety .....	1,429	419	Liberty Mutual .....	73	.....	United Benefit Life .....	41,987	9,700	Royal Indem. ....	610
Bankers Indem. ....	80	.....	London Guarantee .....	760	265	U. S. Casualty .....	15,633	3,983	Travellers Indem. ....	4,278
Ben. Assn. Ry. Empl. ....	7,168	6,235	London & Lancashire. ....	42	.....	U. S. F. & G. ....	4,415	5,532	Total .....	\$ 239,640
Central Surety .....	52	.....	Lumbermen's Mut. Cas. ....	8,032	636	Utica Mutual .....	316	.....		\$ 152,404
Century Indem. ....	3,063	858	Maryland Cas. ....	23,170	4,212	Washington Natl. ....	84,243	26,353	SPRINKLER LEAKAGE & WATER DAMAGE	
Columbia Casualty .....	1,988	1,075	Mass. Bonding .....	10,651	5,124	Western Natl. ....	2,876	.....	Aetna Casualty .....	2,034
Commercial Cas. ....	37,956	15,170	Mass. Protective .....	119,672	48,512	World .....	41,023	8,370	Indem. of N. A. ....	622
Conn. General Life....	66,373	46,361	Metropolitan Cas. ....	93,874	32,781	Zurich .....	45,538	26,958	Maryland Cas. ....	170
Continental Cas. ....	127,448	55,546	Metropolitan Life .....	206,767	98,567	Total .....	\$3,014,078	\$1,429,392	Metropolitan Cas. ....	.....
Eagle Indem. ....	1,015	67	Mut. Ben. H. & A. ....	513,101	191,022	BOILER & MACHINERY				
Employers Liab. ....	1,093	375	National Casualty .....	12,919	5,961	Aetna Casualty .....	-29	.....	U. S. F. & G. ....	113
Employers Reins. ....	6,695	202	New Amsterdam Cas. ....	7,159	1,204	American Employers .....	167	.....	Total .....	\$ 2,956
Equitable Society .....	113,577	122,893	North Amer. Accident. ....	124,036	39,418	American Guarantee .....	2,417	276		\$ 60
Federal Life .....	9,276	685	Northern Mut. Cas. ....	1,048	.....	Arex Indem. ....	-3	.....	William J. Traynor, publicity director	
Fidelity & Cas. ....	20,831	11,440	Ocean Accident .....	4,037	1,302	Columbia Casualty .....	13,144	9,011	North British group, underwent an op-	
Firemen's Fund .....	15,651	4,376	Pacific Mutual Life .....	70,099	104,098	Continental Cas. ....	3,676	.....	eration Aug. 31 at the South Nassau	
Franklin Life .....	4,873	1,346	Paul Reverse Life .....	99,949	27,277	Eagle Indem. ....	-141	19	Communities Hospital, Oceanside, N. Y.	
General Accident .....	69,155	28,576	Peerless Cas. ....	68	.....	Employers Liab. ....	9,120	13	and is now convalescing satisfactorily.	
Glens Falls .....	9,077	1,924	Penna. Casualty .....	28,933	13,556	Employers Reins. ....	45	.....		
Globe Indem. ....	6,289	3,543	Phoenix Indem. ....	2,527	163	Fidelity & Cas. ....	12,962	6,014		
			Preferred Accident .....	1,766	200					



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## ACCIDENT AND HEALTH

### H. & A. Conference Committees Named

Seven new committees have been created to handle additional activities of the Health & Accident Underwriters Conference, President H. P. Skoglund, North American Life & Casualty, announces. They include an operations committee, which is to coordinate the work of the other new groups; hospital insurance, medical insurance, special risks, surgical schedule, franchise and aviation. All standing committees from previous years are continued.

The personnel of 10 of the committees has not yet been completed, including aviation, education, franchise, group, home office management, insurance departments, membership, non-cancellable, press and underwriting.

Chairmen of the 16 committees already announced are: Agency management, Travis T. Wallace, Great American Reserve; blanks, R. R. Haffner, Business Men's Assurance; claim

blanks, George W. Young, Inter-State Business Men's; convention, J. W. Scherr, Jr., Inter-Ocean Casualty; hospital insurance, G. A. L'Estrange, Wisconsin National Life; legal, John Panchuk, Federal Life & Casualty; legislative, H. O. Fishback, Jr., Northern Life; manual, E. Hauschild, Security Mutual Life; medical insurance, H. E. Curry, Farm Bureau Mutual Auto; memorials, J. J. Helby, Federal Casualty; operations, O. F. Davis, Illinois Bankers Life; public relations, C. W. Young, Monarch Life; special risks, A. D. Anderson, Occidental Life; surgical schedule, W. C. Butterfield, National Casualty; taxation, Charles R. Holton, Great Northern Life; war policy, C. O. Pauley, Great Northern Life.

#### Plans to Enter Hospitalization Field

DES MOINES—The Iowa Farm Bureau Federation, which is forming a life company as a companion to its automobile company, Iowa Farm Mutual, also is planning on a hospitalization insurance plan. Tentative plans call for a life company with a minimum of \$200,000

paid up stock and a \$100,000 surplus. Stock will be offered for sale to farm bureau federation members. The hospital plan will be in cooperation with the Hospital Service of Des Moines. Action was deferred on this until the annual convention of the federation, Nov. 20-22.

#### Bruce Brown Indiana Manager

Bruce A. Brown has been appointed state manager in Indiana of American Hospital-Medical Benefit of Detroit, which writes hospital and surgical insurance exclusively.

#### New Program in San Francisco

SAN FRANCISCO—A general new plan for meetings and programs for the Accident & Health Insurance Managers Club of San Francisco is announced by R. Marvin Greathouse, Connecticut General Life, president. Designated a "personal producers program," the meetings will be built around discussions of "My Plan of Selling," based on work habits, prospecting, the interview (approach and close). The first meeting under the new plan will be held Sept. 13. Speakers will be C. Devens Holman, Travelers; Sam T. Breyer, General Accident, and John W. Boyd, Connecticut General. Mr.

Holman and Mr. Breyer have made outstanding records in production and persistency in the accident and health field for years. Mr. Boyd is a comparative "newcomer," having been in the business less than two years, but wrote more than \$3,500 in premiums during one recent month.

Frank J. Stich, assistant to the vice-president in charge of accident and health claims for Continental Casualty, is back on the job after a period in the hospital.

## CHANGES

### Cosgrove Manager of Service Mutual

Frank G. Cosgrove, assistant secretary and manager of the excess department of Employers Reinsurance, is resigning to become general manager of Service Mutual of Waco, Tex. Mr. Cosgrove, who has been with Employers Reinsurance for 14 years, will succeed the late J. B. Greer, one of the founders of Service Mutual. At the time of his death Mr. Greer was serving as lieutenant in the navy.

Mr. Cosgrove's insurance experience dates back to 1925, at which time he joined the engineering department of T. H. Mastin & Co. In 1930 he went to Employers Reinsurance as safety engineer. He was made assistant secretary in 1931 and head of the excess department in 1937. His duties were nationwide in scope.

No other changes in the staff of Service Mutual are contemplated. G. E. Armstrong, secretary and treasurer, will continue in those offices. Mr. Cosgrove will be elected a director.

Service Mutual was incorporated in 1933. It is licensed for all lines excepting life and surety and issues non-assessable policies. The leading line is workmen's compensation; however, it also writes full coverage automobile, public liability and property damage, glass, burglary and fire, operating only in Texas. A fixed surplus of \$200,000 is maintained, and in addition a contingent special reserve which amounted to \$103,000 as of June 30, 1944.

#### Keystone Mutual in Okla.

Keystone Mutual Casualty of Pittsburgh has been licensed in Oklahoma with C. L. Frates Co. of Oklahoma City as state agent.

#### Parks to Swett & Crawford

Harry Parks, Jr., has been named superintendent of compensation claims in the Los Angeles office of Swett & Crawford. He formerly was with Lumbermen's Mutual Casualty and Industrial Indemnity Exchange in Los Angeles.

#### Farm Bureau Claim Changes

Guy D. Hawkins has been named to head Farm Bureau Mutual's general liability claim division. J. H. Wagnitz becomes manager of the compensation claim division. Both divisions formerly were under the direction of B. S. Gottemoeller, who has received a commission as lieutenant (j.g.) in the navy.

Mr. Hawkins has been with Farm Bureau Mutual since 1931 and Mr. Wagnitz since 1940. Both are attorneys.

#### Jacobs Resigns Citizens Post

Harry I. Jacobs, resident vice-president of Citizens Casualty at Newark, has resigned. He has been in insurance in New Jersey for 20 years.

#### A. H. Terry Cleveland Manager

Manufacturers & Merchants Indemnity, controlled by Kroger Grocery & Baking Co. has named A. H. Terry manager of the branch recently opened in Cleveland, in charge of production activ-

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AUTO - CASUALTY FIRE INSURANCE  
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ities for the northern half of Ohio. He has had 10 years' experience in liability lines.

#### Allen Named in Portland

PORTLAND, ORE.—Hampson Allen has been named general agent in Portland for London & Lancashire Indemnity. He succeeds the late Walter P. Dickey.

Iver J. Guy, Jr., Beaumont, Tex., has been appointed special representative of Texas Employers' and Employers Casualty.

Adrian Van Sinderen, president of Brooklyn Savings Bank, has been elected a director of National Surety Corporation.

## SURETY

### Highway Bill on "Must" List

WASHINGTON—Prospect for revival of construction during the post-war period appears from announcement that Senate administration leaders have put on the "must" list for action this fall a \$3,375,000,000 federal-state road building program, to help take up the slack in employment under demobilization.

It is pointed out this program would require action by state legislatures to authorize use of state funds for road construction in cooperation with the federal government. Forty-five state legislatures meet during 1945.

Proposed federal expenditures under the road program would be \$2,075,000,000, to be spread over three post-war years, or \$650,000,000 annually. This would be split up into \$200 millions for urban highways, \$250 millions for fed-

eral-aid main highways, and about \$200 millions for farm-to-market roads. The federal proportion would be 60%, and state contribution 40% of the total. Also in the program are proposed federal expenditures of \$25 millions a year for forest highways, \$12½ million annually for forest development roads and trails, and \$4,250,000 for road construction on national parkways.

Senator Barkley, majority leader, stated he saw no obstacle to Senate consideration of the highway construction project during the next two weeks, before the fall campaign recess.

The Senate had meanwhile passed over consideration until after the November election other construction programs that would involve expenditure of about \$1 billion for flood control and \$400 million for river and harbor improvements.

### Indemnity of N. A. Has Fidelity Bond "Certificate"

A "badge of distinction" is the title of a new certificate developed by Indemnity of North America for its fidelity bond policyholders. Purpose is to remove doubt in the bonded employee's mind as to the motives of the employer for including him in the instrument.

William J. Schiff, assistant secretary, said the certificate already has met with wide approval by agents. It appeals to employer who is timid about bonding old and trusted employees, or any employees, for that matter. It appeals to bonded employees who will gain a new and better estimation of the need for this kind of insurance. It tends to prevent losses, and will help hold business on the books at premium anniversary time.

### New Western Surety Manual

A new rate manual has been issued by Western Surety incorporating recent changes. The manual is plastic bound

so that it stays open at the page to which it turns. It is well indexed with a handy finder system so that the main classes of bonds can be easily found. A cross index covers all types of bonds.

## PERSONALS

Jesse W. Randall, vice-president of Travelers, has returned to Hartford from a business trip in Milwaukee and Chicago.

Ogden Davidson, U. S. manager of Accident & Casualty, stopped at Chicago this week on a western swing. A. F. McCarthy, supervisor of agencies, also on a business trip, was in Chicago at the same time.

Mrs. Hervey J. Drake, wife of the counsel of the Association of Casualty & Surety Executives, died from pneumonia. Services were held Monday at Christ church, Pelham. Mr. Drake has been counsel of the association since 1929.

J. Speed Smith, 67, chief defense counsel in Seattle of Aetna Casualty and one of the best-known insurance attorneys in the Pacific Northwest, died there.

### Johnston Praises Private Insurance

(CONTINUED FROM PAGE 23)

on land, sea and in the air—and even beneath the surface of the earth.

"No sprawling, incentive-stifling bureaucracy is this dynamic system, but a nation-wide industry, composed of thousands of highly competitive units, striving constantly to give the public better service at lower cost. No huge army of employees on the public payroll

here, but an industry composed of 524,000 self-reliant employees and producers earning their own way in the world, keeping in step with the pulsating tempo of progress.

"The nation's insurance industry, companies and agents, represents a vitalized example of achievement in the American style of free and competitive enterprise. As a public institution, it represents capitalism at its best. When the recent Supreme Court decision focused public attention on the industry, 78% of the nation's newspapers commenting editorially on the operations of the industry paid tribute to its high ethical standards and the soundness of its administration. As well as any other industry, the insurance business—casualty, fire, marine and life—demonstrates its recognition of the compatibility of the public welfare with the enlightened self-interest of private enterprise.

"Surveys have revealed, curiously enough, that while practically everyone carries some form of insurance, relatively few people know much about the insurance industry. It has even been determined that an amazingly large number of Americans cannot remember the names of their insurance companies. Ask the average person his definition of casualty insurance, and he will be at a loss to say what lines can be covered.

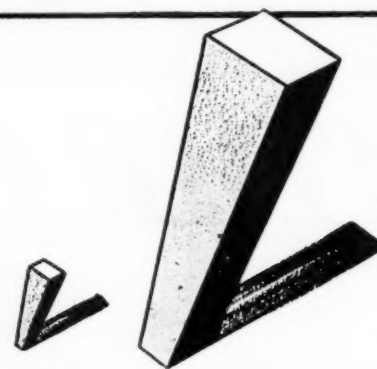
### Doesn't Need to Boast

"Modesty is an admirable trait, and the braggart is a bore. But the insurance industry does not need to boast. It is one of many American industries that can point to accomplishments of past and present, of peace and war, with justified pride.

"The matter of insurance rate-making, for instance. How many policyholders realize to what extent premium rates have declined over the years? A 40% reduction in fire insurance rates since the first world war provides only one example. That lusty, rapidly growing infant of insurance, the casualty lines,

# ALLSTATE

## GROWTH



Our field forces frequently meet prospects as familiar with Allstate's selling story as the agent himself. And what a difference this makes in easier closures!

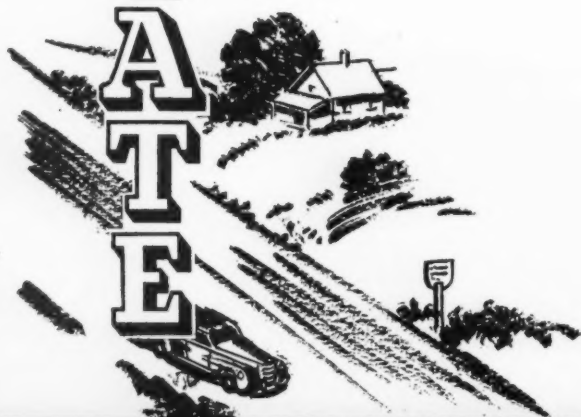
In the entire casualty field there is no parallel situation as an aid to easy sales.

Allstate's assets, in a little over a decade, have risen to more than twelve and one-half million dollars.

That is Growth!

**ALLSTATE**  
**ALLSTATE INSURANCE COMPANY**  
**ALLSTATE FIRE INSURANCE CO.**

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has indelibly registered its mark of progress in terms of decreased rates—for instance, an average countrywide decrease in workmen's compensation rates of 20% in less than 10 years. Not only have rates in most lines been substantially reduced, but coverages have been extensively broadened in many lines without increase in rates.

"Show me your super-state that can match this adventure in free American achievement! Here is the meaning of private, competitive enterprise for all to understand.

#### Judgment by the Public

"The public judges industry by three yardsticks—products or services; prices and employment practices. If an industry has striven consistently to improve its services or products, lower its prices and maintain a fair attitude toward its employees, then the American people usually will applaud that industry.

"The insurance industry has well demonstrated its intelligent standards and far-seeing principles as measured by these three yardsticks. But there is still another yardstick of public service by which the insurance industry may be judged.

"At the turn of the century, elevators plunged to shrieking death with alarming regularity. The cautious were wary of steamboat trips—boilers exploded too often. Our growing industrial system was blighted with the tragedy of an inordinately high ratio of preventable accidents as machines turned snarling metal teeth on their operators. Many illnesses were simply accepted fatalistically as unavoidable and incurable.

"As the century nears its middlemark, the contrast can be pictured in statistics.

#### RECORD REVIEWED

"As for elevators falling, the accident is almost unheard of. Improved engineering and frequent inspection service of insurance companies has reduced this type of accident practically to a negligibility, despite the strain imposed on machines by war. From 1913 to 1942, occupational death rates were reduced from 45.7 per 100,000 policyholders to 23.4. While during the period from 1911 to 1942 the nation witnessed a phenomenal growth in automobile traffic and industrial activities, at the same time the general rate of accidental deaths was cut from 84.3 per 100,000 persons to 69.3. Life expectancy figures are a revelation of startling progress in human development—from the beginning of the century to 1942 the average length of life of the American people rose fifteen and one-half years.

"Naturally, other forces also have been responsible for the nation's vastly improved health and accident standards. No exact index can be made of the insurance industry's contribution. But, in general, the record speaks for itself.

"Insurance safety engineers have worked hand in hand with industry in developing accident-prevention methods to cope with constantly arising hazards of modern industrial life. With every means at its resource, the insurance industry has campaigned to curtail fires, disease and accidents—through community and national drives; through newspapers, magazines and radio; through collaboration with public and private health and safety organizations. Insurance companies today are tackling the insidious problem of occupational diseases—silicosis, skin irritations, poisons.

#### Second-Degree Sabotage

"War has emphasized and dramatized the vital value of the insurance industry's work in fire and accident prevention and safety and health education. Mars is an insatiable god and demands manpower and materials to the limits of a nation's capacity. Waste of human or material resources is deplorable in peacetime; in wartime, a form of second-degree sabotage.

"A standing order of the day on the civilian front is conservation. When army, navy and manpower officials mobilized to attack the dangerous enemy of waste, it is significant that one of the first calls for cooperation was issued to the insurance companies and their con-

servation agencies. Chiefs of federal agencies, military and civilian, have publicly praised the insurance industry for its invaluable aid in the prevention of fires, accidents and illness.

"Conservation is production's brother in arms. Americans are justly proud of the wartime success of their private enterprise system—the system which has poured forth an avalanche of planes, tanks and ships to overwhelm the tyrant nations. Less dramatic, perhaps—not so easily pictured—but none the less added proof of freedom's righteous power is the achievement of private enterprise in the conservation of our resources.

"The insurance industry, however, is

by no means disassociated with actual production, whether for war or peace. It is the stabilizing gyroscope of our American economy. Our vast transportation networks, our sky-soaring buildings, acre-blanketing factories, our tremendous retail system, our labyrinth of mines and earth-piercing petroleum fields—all these brilliant segments of private enterprise that comprise the mosaic of our nation's unprecedented industrial power are obligated to insurance.

"The business men who built America were actuated by the spirit of venture, by the chance to take a chance. And venture means risk. Venture means risk to the investor who provides the capital.

Venture means risk to the manager and technician who provide their time and services.

"In the spirit of venture, the business man looked ordinary risks squarely in the face and did not flick an eyelash. He knew that with diligence, intelligence and foresight he could overcome predictable risks and meet the stern test of competition. But another kind of risk existed—the unpredictable hazards over which he could exercise little or no control.

"What if a fire consumed his business, wiping out all investment, resulting in total loss?

"What if an explosion occurred which

### "MANUFACTURERS MEANS BUSINESS"



## "Dear Jim:"

Today's wartime conditions often compel the substitution of a letter for a personal visit. When the Agent or Broker "visits" Manufacturers by mail he receives a courteous, friendly welcome, a thoughtful study of his needs and a careful, adequate reply.



The prompt attention and careful replies given our producers' mail, is another Manufacturers' service assured to Agents and Brokers.

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Casualty Insurance Company • Fire Insurance Company

PHILADELPHIA

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shattered his business and also held him liable for injuries sustained by his employees?

"What if a dishonest employee misappropriated a large and irreplaceable sum of money?"

"What if death destroyed the often irreplaceable brain power at top management?"

#### Unpredictable Hazards

"These unpredictable hazards and many others represented risks that would make any investor stop to think twice and dampen the enterprise of the boldest. However, much of the risk could be eliminated from these hazards. In common with other business men, he could pool the hazard and spread the risk. The name for such a risk-removing procedure of course, was insurance. And insurance did not fail in its responsibilities. We have as evidence the most convincing testimony on earth. The testimony that is America, and the achievements we enjoy today.

#### BEGETS ENTERPRISE

"Insurance in action is a case of enterprise begetting enterprise. The insurance industry itself is an inseparable segment in the mosaic of America's economy of competitive capitalism. The world's greatest security system is the typical American achievement of men with imagination and initiative who dared to venture. No other system would have possessed the versatility and flexibility necessary to take in stride the breathless technological changes evoked by the machine and power age. No other system could have so quickly adapted its

services to the lightning developments of history's swiftest-moving era.

"Typical of the American people's belief in security by their own initiative and thrift is the \$140 billion of life insurance held by some 68 million people as a protection against the unknown hazards of life which might otherwise create social and economic chaos with the families of the nation. In keeping pace with the increasing needs of our changing times, the casualty and fire lines have experienced remarkable growth. From the end of world war I to the present, casualty volume soared approximately 360% while fire writings were doubled.

#### Post-War Trends

"Great as our private security system is today, tomorrow it will inevitably rise to new heights of accomplishment and public service. Post-war trends indicate clearly an unprecedented peacetime expansion of business and commerce. Anticipating those trends, insurance research experts are charting plans to meet the challenge of the new industrial frontier of the future.

"America's grown-up merchant fleet will sail the seven seas protected by marine insurance. Millions of automobiles will roll from assembly lines, calling for a commensurate increase in automobile liability insurance. New post-war homes by the millions will be protected against fire, theft and other hazards by the insurance industry. Aviation insurance will soar with the rapid growth of air transport. Millions of our fighting men now dream of the time when they can return home to the normal business of settling down in peaceful pursuits and raising their families,

families provided security by life insurance. Private capital will replace government ownership of thousands of war plants and demand the proved protection and services of private insurance. The insurance industry is prepared to meet this post-war challenge as it has always met the challenge of our changing times.

"While this is frankly and obviously a tribute to the insurance industry, it is not a polyanish attempt to picture the industry as having a perfect record. Mistakes have been made by insurance as they have been made in all fields of human endeavor. The history of mankind relates only one perfect human record—and that story had its ending and beginning almost 2,000 years ago. But the high principles of the insurance industry, as a whole, are such that seldom are the motives or operation of an insurance company questioned, for the industry today is essentially one of unquestionable integrity, its leadership characterized by business men of honesty and courage. Only under such leadership could the industry survive. And under such leadership, insurance will surely march without hesitation in the parade of America's unceasing progress."

## Seek to Avert Coinsurance Penalty

(CONTINUED FROM PAGE 7)

The whole subject of insurable values has come in for considerably increased attention among institutional mortgagees in this area. This summer there was held a conference of the insurance managers of life companies, trust companies, savings banks and commercial banks with representatives of the New York Fire Insurance Exchange with a view to arriving at a more satisfactory basis for determining insurable values. There is some feeling among the mortgagees that the companies tend to use a different basis of figuring values where the loss is partial from that used for total losses—that is, that they try to hold values down in the event there is a total loss where the amount of insurance exceeds the company's estimate of the property's value, whereas they view the property's value as high in the event of a partial loss so as to invoke the coinsurance penalty.

It was decided to appoint a committee to confer with the exchange with a view to arriving at a better basis for estimating insurable value. This committee has not yet been appointed but probably will be within a short time.

## Washington Now Awaits Word from Commissioners

(CONTINUED FROM PAGE 7)

vote. They say cases cited by insurance counsel in support of this point arose from situations where there were vacancies on the court or illness of some of its members. Under such circumstances, it is said, there was a chance

of getting more judges to sit in on consideration of a case, thereby obtaining a majority vote of the whole court on a question, or possibly a change of the majority verdict.

No such possibility is seen in the S.E.U.A. case, unless justices who participated in deciding it should retire, or one or both of the two judges who did not participate should decide to sit in on it now. Government counsel assume that since Justices Reed and Roberts decided to withdraw from consideration of the case originally, they will hold to that position.

#### Rumor Concerning Reed

However, a rumor circulated here is that Justice Reed's son, whose connection with the Cahill law firm was seen as the reason for the justice's withdrawal from the S.E.U.A. case, is no longer connected with the firm. If this is true, it is reported thought possible in some quarters that Judge Reed might enter consideration of the rehearing petition.

Without participation by "withdrawn" members of the court, or retirement of members and consequent changes in the personnel of the tribunal, government people say they see little or no chance of rehearing being granted, or the S.E.U.A. decision being reversed. The only chance, otherwise, they say, would be for a majority of the court to decide they were wrong in their first ruling on the case.

As for the rumor coming from the insurance commissioners' meeting that the Attorney General might decide not to prosecute the S.E.U.A. criminal case, but institute civil proceedings instead, attention was called in this correspondence some time ago that a civil suit by the government would be in line with its usual procedure in anti-trust cases.

Such a suit, eventually, government attorneys have indicated, would be in order to obtain a decree—consent or otherwise—enjoining the insurance interests to stop certain practices complained of by the government.

When such action may be taken in the S.E.U.A. case could not be learned at the department.

Suggestion for investigation of life insurance "practices and rates" has been received at the Senate judiciary committee from Walter G. Peterkin, Amityville, N. Y., who supports his request with a brief memorandum.

The Supreme Court clerk stated that the department of justice would have until Oct. 2 to "respond" to insurance counsel's petition for rehearing of the S.E.U.A. case. The same is true, he said, with respect to the brief of states' attorneys-general in support of the petition.

C. Edgar Van Cleef, general agent of National Life of Vermont, was named chairman, and Ancel Earp, local agent, vice-chairman of the war activities division of the Oklahoma City Chamber of Commerce.

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## Group Program for Manufacturing Jewelers in N. Y.

### Union Setup Provides Life, Hospital, Accident and Sickness Cover

Approximately 195 manufacturing jewelers in the New York City area have provided production employees with a program of group life insurance, hospitalization, accident and sickness coverage. The employers covered are those that have a collective bargaining agreement with Local No. 1 of the International Jewelry Workers Union (AFL), which has jurisdiction in New York City area. The setup was worked out by the union with members of Associated Jewelers, Inc., comprising about 82 companies, the Jewelry Crafts Association, with 63 companies, and with about 50 independent concerns. Each of the three groups has set up a trust, the latter under the name of the Manufacturing Jewelers Association.

The hospitalization, accident and sickness coverage is written by Continental Casualty and the life insurance by John Hancock Mutual.

The plan is permitted by the 1943 amendment to the New York insurance law permitting issuance of a group policy to trustees of a fund set up by the employer members of a trade association. There is a similar law in New Jersey permitting several employers in a trade association to undertake a group plan in order to meet the requirement of a certain minimum number of insured. In some other states this type of setup is not prohibited.

Under the jewelers' union plan employers are paying the entire cost, which amounts to 3¼% of the weekly wage. Each group of employers has set up its own individual trust, and certificates now are being issued.

New employees become insured on the first day of the month following their first day of active employment, and the life insurance terminates 31 days following date employee leaves employment. Other benefits terminate the day the employee ends his employment. In case of layoff or leave of absence, during which the employer pays the premium, the employee will be fully covered up to two months except on accident and sickness which is limited to 31 days after the last day of active employment.

The coverage consists of \$1,000 of life insurance, \$2,000 maximum accidental death and dismemberment; approximately 60% of the weekly wage on accident and sickness benefits; \$5 per day for hospitalization benefits; \$25 miscellaneous hospital expenses; up to \$150 surgical benefits, and up to \$75 per illness or accident for medical benefits. In addition dependents are covered for hospitalization benefits up to \$4 per day, miscellaneous hospital benefits \$20, and maternity benefits \$4 per day for 10 days. Accident benefits begin the first day and are payable for not more than 52 weeks in any one continuous period of disability. Sickness benefits begin the 8th day, payable for not more than 52 weeks. Hospital benefits are payable for not more than 70 days.

For the casualty coverages C. Paul Barry, manager of Continental Casualty's group department in New York, and Paul Fisher, superintendent of the group division at the home office, conducted negotiations.

Ralph F. Potter, 75, of the Chicago law firm of Cassels, Potter & Bentley,

died suddenly at his home at Wilmette, Ill., Sunday. Mr. Potter served for 13 years as claim superintendent in Chicago for Ocean Accident and then in 1915 went into the private practice of law. He took with him the sole representation of Ocean Accident in Chicago and during the years developed one of the largest practices in the city in the defense of accident cases for insurance companies. Mr. Potter is credited with having first introduced moving pictures into evidence in refuting plaintiff's testimony. This was in a case in which Zurich was interested. A dentist, who was

claiming under a personal accident policy, was shown to be performing his work in moving pictures that were taken from across the street from his office.

R. Dunham Braman, 35, in the claim department of Connecticut General Life for several years, died suddenly at his home in Hartford. He was a nephew of Col. H. P. Dunham, vice-president of American Surety and former Connecticut commissioner. His father, S. R. Braman, is assistant auditor at Aetna Life's home office. A brother, Seymour, is special agent of the Meserole group in

the midwest, Chicago. Another brother, William, was Aetna Casualty special agent in Buffalo before entering the army.

### St. John Assistant Secretary

Nelson St. John, special agent in New York state for Citizens Casualty, has been given the title of assistant secretary. He has been with Citizens since 1930.

United National Indemnity, running mate of National Fire, has been licensed in Iowa.

"Unforeseen events . . . need not change and shape the course of man's affairs"



## MISSION COMPLETED

THESE THINGS of his followed the telegram—"The War Department regrets . . ."

He was due to go on leave. Home to America. He could have bailed out and lived. But there was a kid pinned in the ball turret with a smashed leg and a trapped look in his eyes. They went down together.

There are thousands like this boy in the thick of the fight. No one has a monopoly on the dying that's being done in this war. But there's enough of it being done by our friends in the insurance business to strike pretty close to home.

To those insurance people who are ineligible for military service, these tragic packages from

the front are a pretty good argument for backing War Bond drives to the hilt, and they're doing it. Thousands of them. Other thousands are helping the Red Cross. Working in hospitals. Salvaging. Conserving.

With you, they're doing their utmost to get this war over and get those boys of ours home. Maryland Casualty Company, Baltimore.

Enlarged poster-size reprints of this advertisement, without The Maryland name, will be mailed on request to any insurance agent or broker for window or counter display. Write Advertising Division, Maryland Casualty Company, Baltimore 3, Maryland.

# THE MARYLAND

ADVERTISEMENTS LIKE THIS APPEAR REGULARLY IN TIME-NEWSWEEK-U. S. NEWS-BUSINESS WEEK

## Medical Treatment Used by Metropolitan Life Described

The work in industrial medicine which Metropolitan Life does for its 40,000 employees was described by Dr. Lydia G. Giberson of the Metropolitan medical division in recent testimony on the proposed federal health bill, H.R. 4909. Dr. Giberson appeared in support of the bill, which would provide "industrial medicine" for federal employees.

Metropolitan Life maintains a high degree of friendly cooperation with the

practicing physician in the community, and supplies the physician with reports of every diagnostic need possible, including x-rays, EKG, blood chemistry, serology, etc. When necessary the medical division consults with the physician to assist in arriving at proper treatment of a patient. It assists in securing adequate and proper hospitalization for the employee, though it does not interfere with the selection of consultants or hospitals. If impairments are discovered in preemployment examination, it uses every effort to direct the applicant to proper medical supervision and care and

as a consequence many patients get to private physicians who would not otherwise arrive there. In emergencies, physical or mental, it is prepared to handle the situation until normal outside medical agencies can take hold.

Dr. Giberson is an industrial psychiatrist and has spent 13 years working with this phase of industrial medicine in Metropolitan's organization. Industrial psychiatry, she said, is a phase of preventive medicine which aims to forestall and prevent serious mental and emotional maladjustment among industrial employees.

## New Booklet Seeks to Reduce Driver Faults

NEW YORK—Will the return of peace and the removal of wartime restrictions on automobile operation be marred by a renewal of needless traffic accidents, which killed 330,340 persons and injured 11 million Americans in the past decade, despite greatly curtailed driving in the war years?

Realizing that many indications point to unprecedented automobile crash casualties in post-war years unless driver education and training efforts are conducted intensively by educators, parents, safety agencies, public officials and others, the Center for Safety Education at New York University and the National Conservation Bureau has prepared a practical, step-by-step guide on driver training.

Entitled "Behind the Wheel," the 38-page booklet points out that more than 85% of all traffic accidents are caused by driver faults and emphasizes that the thinking and the skill of drivers must be improved. Teaching pointers for the amateur driving instructor are given. The seven lessons deal with starting, shifting and stopping, making right and left turns, backing, driving and parking on grades and driving in traffic. An instructor's check list, consisting of 15 items in which the student's performance may be graded as unsatisfactory, satisfactory, or good, is provided.

The partnership of Mayes & Lancaster, Corpus Christi, Tex., has been dissolved. J. L. Mayes will operate under his own name. J. Q. Lancaster will operate as the Insurance Service Office.

### AVAILABLE

Man with 18 years experience in Casualty Underwriting and Field Supervision. Married, draft exempt. Available for Michigan territory. Best references. Address W-88, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED: Agency superintendent to organize and develop agency department for well established, small stock casualty company with "growth" possibilities. Splendid opportunity. In reply give complete details concerning your qualifications. Address W-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE

Permanent position with nationally known Insurance Broker: opportunity and future for capable ambitious young man who has knowledge of casualty and surety and is willing to study and learn insurance brokerage business. Address W-86, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## Hold Hearing on Kan. Casualty Rates

The meeting that was called by Commissioner Hobbs of Kansas last Thursday to discuss rates in all the casualty lines was attended by C. J. Haugh, representing National Bureau of Casualty & Surety Underwriters, and Martin Lewis, president Towner Rating Bureau, and by a number of company general agents and branch office managers. Mr. Hobbs feels that the rates in all of the casualty lines should be reduced. An attorney representing the stock casualty and surety group stated that while his companies were glad to participate in the meeting and to furnish the commissioner with complete information regarding rates they did not admit that the commissioner has under Kansas law, the authority to compel or require an adjustment in rates.

Mr. Hobbs then took up each line separately, reading from a compilation prepared in his office from the annual statements, giving a record of premiums written and losses paid by year for the past 10 years for casualty lines and for 20 years for fidelity and surety.

Mr. Lewis and Mr. Haugh thereupon claimed that the paid and written loss ratios are not a reliable indication of actual underwriting results and urged that earned premiums and incurred loss ratios would be more reliable. They also pointed out that the written premium paid loss ratios did not take into consideration rate reductions that had been made during some of the more recent years nor did they take into consideration the effect of the inclusion of three year premiums on some types of policies nor of the inclusion of substantial premiums of risks insured under the war risk rating plan. Especial emphasis was placed on the emergency rate reductions that were made in the automobile lines when gas rationing became effective at a time when the actual data for the state did not indicate that such reductions could be made.

The meeting adjourned without any indication of what, if any, action Mr. Hobbs intends to take.

## Joins American Casualty

R. T. Gravenstine, Jr., who has been connected with Western Adjustment at Milwaukee has resigned to go with American Casualty. He is a son of State Agent Gravenstine in Wisconsin of Hanover Fire. At one time he was associated with Underwriters Adjusting.

## Rodgers Speaks in Nashville

NASHVILLE—The importance of an effective, nationwide public relations program was stressed by Wallace Rodgers, N.A.I.A. executive assistant, speaking before a gathering of members of the Tennessee Association of Insurance Agents, Tennessee Fire Underwriters Association, and Nashville Insurance Exchange. He was introduced by W. D. Pettigrew of Knoxville. About 60 agents and field men attended the meeting.

## Drop Tenn. Qualification Move

NASHVILLE—The executive committee of the Tennessee Association of Insurance Agents at a meeting here considered a proposed agents qualification law to be proposed at the next session of the Tennessee legislature. However, it is indicated that, in view of the anti-trust decision, the proposed act may be dropped for the present. Other state legislation also was discussed.

Norris A. Smith has been named chief actuary for the Ohio State Industrial Commission. He succeeds Evan I. Evans, actuary for 23 years, who resigned to enter private business. H. H. Pickering has been named as underwriter and supervisor of the actuarial section.

Mich. Rehearsal Again

LANSING—The supreme court in an injury returned to the motorist but allowed appeal of Court. tion rem

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DES Moines Friday insurance committee Sept. 24. final pla Moines of the c of a full ness.

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**Comprehensive Liability INSURANCE**

Every person who enters a business establishment or even passes by on the sidewalk is liable to be injured and become a claimant against that business. Since there are so many unforeseen ways in which members of the public can be injured while in a store or on a business premise, the best way for a business to protect itself is to carry Comprehensive Public Liability Insurance, a liberal form of coverage offered by all Trinity Universal Agents.

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## Mich. High Court Denies Rehearing in Suit Against Responsibility Law

LANSING, MICH.—The Michigan supreme court has denied a rehearing of an injunction suit in which it recently returned an opinion upholding constitutionality of the 1943 "semi-compulsory" motorists' financial responsibility law but allowed a 30-day stay for a probable appeal of the case to the U. S. Supreme Court. Meanwhile a temporary injunction remains in effect.

Edward N. Barnard, Detroit attorney and prominent politician, who so far has unsuccessfully sought a permanent injunction to prevent enforcement of the new act, has indicated the issue would be carried to the highest tribunal.

Barnard, reputed to represent Detroit taxicab interests in the matter although he has persistently denied it, has succeeded in delaying enforcement of the law for more than a year, its original effective date having been July 30, 1943. Plaintiffs actually named in the action are a handful of unknown Detroit residents, including several clients of a Negro attorney who intervened in the action in support of Barnard's position.

The new act which, merely as a threat, has resulted in greatly increasing the volume of liability and property damage coverage carried by Michigan motorists, provides that autoists involved in accidents causing personal injury or death must make written reports to the secretary of state and prove responsibility to meet any judgments arising therefrom. Failing to post evidence of insurance or its equivalent in cash or securities, such motorists must forfeit their driving privileges. Chief argument advanced by the law's opponents is that it is "class legislation" and hence unconstitutional. The supreme court, however, upheld a decision of Judge Marschner of Wayne county, dismissing the petition, favorably commenting on his findings that the measure was designed to safeguard the public and was not discriminatory.

## Big Demand for Aviation Accident Coverage

Aviation accident policies are increasing in demand, according to Indemnity of North America, which entered the field earlier this year. A surprisingly large volume of the business has been developed by agents and brokers, the company states.

Present trends are toward relaxation by the government of restrictions on commercial and private flying, the company points out. Planes commandeered by the army and navy for war purposes are being returned to private operations and airlines are selling more accommodations to civilians with fewer inconveniences or restrictions. Also, the government is releasing certain types of training planes for private flying and business firms are purchasing planes to carry personnel.

There has been even more demand for foreign travel accident coverage, Indemnity of North America states.

## Iowa Committee Meeting

DES MOINES, IA.—President C. D. Friday of the Iowa Association of Insurance Agents announced the executive committee will hold a meeting here Sept. 24. The committee will work out final plans for the convention in Des Moines Nov. 8-10, and take up revision of the constitution and by-laws, hiring of a full-time secretary and other business.

Funeral services were held Sept. 5 for E. R. Syverson, 68, for 20 years prominent in insurance circles in Minnesota. He was Twin Cities manager of Northwest Underwriters, Inc., and also of General and First National of Seattle. He retired five years ago because of ill health.

## Port Chicago Bill to White House

WASHINGTON—H. R. 5181 going to the White House probably Friday, after passage by Congress, provides for settlement of claims based on the Port Chicago, Cal., ammunition ship explosion. Payments up to \$3,000 each are allowed on claims for disability or death and a like amount on damage to any buildings or structures, due to the explosion. War Damage Corporation

Counsel Goodale says it has received no information indicating liability under war damage insurance for claims based on the explosion.

A. S. Barbour of Barnwell & Barbour, a firm entering its 50th year in insurance, died Aug. 26 of injuries sustained from slipping in a bathtub at his home. Services were held at the Presbyterian church in Yazoo City, Miss. The other partner is I. S. Barnwell.

The Oklahoma City Better Business Bureau has issued a warning against ac-

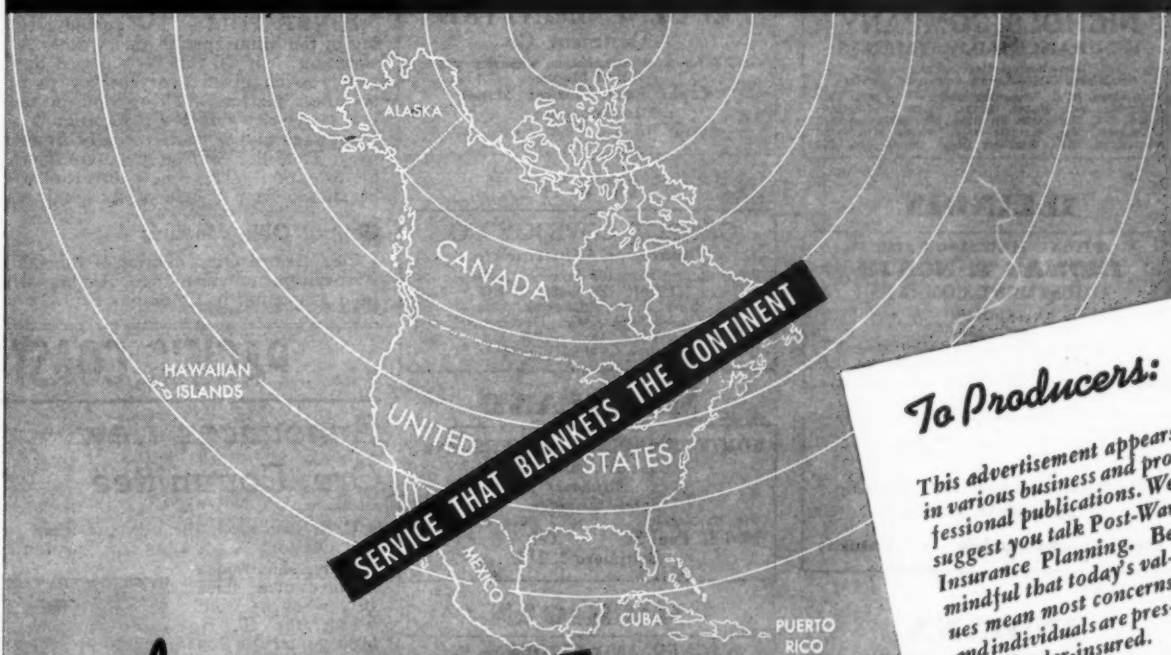
cident companies not licensed in Oklahoma, which are alleged to be soliciting business by "flamboyant" direct mail advertising and offering policies which appear to be bargains but which really are very limited.

William Tate of the Tate & Bristow agency, Big Spring, Tex., has purchased the Lynn W. Lawther agency at Dallas and will operate under the name of Tate & Lawther.

Write more A. & H. premiums with the "Pictograph," only \$3.00. The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Approve New Broadened Fire Forms in Michigan

LANSING, MICH. — Commissioner Forbes of Michigan has approved the broadened fire forms being adopted nationally following their formal submission by the Michigan Inspection Bureau. While approval is immediate, actual use of the new forms will be delayed, it is understood, until possibly mid-October because of difficulties in printing amendments to manuals and

the new supplies. It originally had been hoped to make the new forms effective by Sept. 20 but department authorities have been informed by the inspection bureau that printing complications will make this impossible.

### Moreton and Ohio Association

In reporting the fact that the Ohio Association of Insurance Agents has decided to ask for reaffiliation with the National Association of Insurance Agents the impression was created that President Fred A. Moreton of N.A.I.A.

had been asked to address the annual meeting of the Ohio agents association at the same time as the request for reaffiliation was made. As a matter of fact, the invitation to Mr. Moreton to address the annual meeting was given some time before the decision was reached to ask for reaffiliation.

### Kirkpatrick Speaks in Detroit

DETROIT—Since the passage of Michigan's automobile financial responsibility act the number of insured cars has been increased from 30 to 65%, A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce," told the Detroit Association of Insurance Agents. Mr. Kirkpatrick reviewed developments in the fire and casualty field including the U. S. Supreme Court insurance decision.

name a trustee to succeed Max Fuls of Chillicothe, whose term as trustee has expired. The meeting will be held in connection with the monthly session of the Columbus Insurance Board.

### General Agent in Kansas

L. E. Roush, head of the Mid-West Company general agency at Topeka, Kan., has been named general agent of Bankers & Shippers and Jersey of the Meserole group for Kansas. His offices are at 523 New England building. Mr. Roush served as building and loan commissioner for Kansas several terms and has been in the building and loan field for a number of years.

### NEWS BRIEFS

C. A. Hanan, for many years president of Middleton Fire, Wisconsin town mutual, and for 25 years before his retirement a year ago, a local agent at Oregon, Wis., observed his 85th birthday last week.

J. Allen Dawson, treasurer of the H. H. Woodsmall agency, Indianapolis, won the annual Hole in One Club contest conducted by the Indianapolis "Star."

Application for membership in the Cincinnati Fire Underwriters' Association has been filed by Joseph E. Huff agency. Mr. Huff has been a solicitor member through the Gordon J. Burrer office and is qualifying for agency membership as sole agent of Paul Revere.

The Insurance Women of Cleveland have issued a booklet explaining the purposes and operations of the organization, which is being sent to insurance leaders in Cleveland.

Leon C. Sveen, Westby, Wis., has purchased the agency of Henry A. Nerison, who is retiring.

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### Port Huron Agents Elect

Fred Sovereign has been reelected president of the Port Huron (Mich.) Association of Insurance Agents. Vice-president is Carl Walker; secretary-treasurer, Harold M. Martin.

### Minneapolis Board to Meet

MINNEAPOLIS—The annual meeting of the Minneapolis Underwriters Association Sept 11 will be a closed business session given over entirely to association matters. The action in federal court charging the association with conspiracy and boycott, recently brought by J. T. Miller, will be given considerable attention. Three new directors will be chosen from a field of six nominees.

### Central Ohio Meeting

The central Ohio district of the Ohio Association of Insurance Agents will hold a meeting in Columbus Sept. 12 to

## PACIFIC COAST AND MOUNTAIN

### Announces New Ore. Committee

V. J. Robinson, the new president of the Oregon Association of Insurance Agents, has been in insurance since 1917 when he went with the T. S. Montgomery & Son agency in San Jose, Cal. After service in the marine corps, he entered the local agency business in Montana and in 1921 became special agent for the California, traveling Montana and later central California.



V. J. Robinson

In 1923 he joined New York Underwriters in the central California field and in 1924 became western special agent, Chicago. In 1925 he became state agent in Ohio where he served until 1930. He then joined Commercial Union in San Francisco.

He became secretary of Commercial Union fire companies and later was elected secretary of the California. Seven years ago he resigned to enter the local agency business in Medford, Ore., and is now principal owner of the Daniels-Robinson agency there.

He has announced the new executive committee. In addition to Chairman Fred E. Jewett, who was elected at the annual meeting, the committee includes Sprague H. Carter, Pendleton; Cole Holmes, Medford; Merrill D. Ohling, Salem; C. H. Reynolds, LaGrange; J. Don Smith, Eugene; Addison P. Knapp, H. C. Pownall, Ferry Smith and Harry A. Swart, Portland.

### Heavy Damage Is Caused By Colorado Hailstorm

DENVER—A terrific hailstorm struck Denver and suburban towns last week. The storm extended as far south as Colorado Springs and Pueblo. Considerable damage was done in the entire area. The most severe damage was in the northwestern residential section of Denver, where stones as large as golf

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balls fell to the depth of five or six inches. Composition roofs were demolished and most wood shingle roofs badly damaged. There was not sufficient wind accompanying the storm to protect the roof slopes on the opposite side from the direction of the storm, and both sides were about equally damaged, resulting in interior damage. Many windows and screens were broken and torn away, and automobile tops damaged.

A shortage of roofing materials and roofers has so far been a problem, but it is reported that Denver area dealers will distribute the 81 cars of shingles and 226,000 board feet of lumber it will take to repair damage caused by the hailstorm. The Red Cross building adviser, acting for the War Production Board, has secured approval for distribution of the necessary materials.

The Fire Companies Adjustment Bureau has between 20 and 25 adjusters in the Denver area, 13 of them coming from the southwestern department at Dallas. In addition there are many independent, company and general agency adjusters in the job and they expect to have most of the 10,000 claims adjusted by Oct. 15.

One turkey grower reported 3,000 turkeys killed in the hailstorm here, value of the birds being \$9,000.

### New Department Policy on Legislation in Cal.

SAN FRANCISCO—Legislative conferences to discuss proposed legislation prior to the forthcoming session of the legislature will be carried out as in previous years, Commissioner Garrison states. However, the insurance department will not prepare all measures approved in conference nor will it sponsor them in the legislature as formerly. Rather it will confine its preparation of proposed measures and sponsorship to those bills which will directly affect operations or activities of the department and which are regarded as necessary in the interests of the public.

Commissioner Garrison's position was made clear following a statement of policy by Governor Warren in reply to an inquiry from the commissioner. Governor Warren expressed himself as opposed to state departments engaging in legislative activities or sponsoring measures which originate outside the department and the commissioner has expressed hearty concurrence with this position. He feels it is a function of his department to assist in the discussion of proposed legislative measures concerning insurance but that it is not the function of the department to prepare all of these measures for submission to the legislature or to actively sponsor them for passage.

Commissioner Garrison attended the meeting in Chicago of the committee of the National Association of Insurance Commissioners on federal legislation. He also spent several days in New York conferring with company executives in connection with the legislative problem as it specifically affects California.

### New Partnership Takes Over Old Seattle Agency

SEATTLE—Edgar L. Smythe has resigned as insurance manager for West & Wheeler to become a partner with Elwell C. Case, a member of the firm since 1932, in McGraw, Kittinger & Case, one of Seattle's oldest and best-

known agencies. It will continue under the old name.

The firm was founded in 1896 by former Governor John H. McGraw and George Kittinger. In 1906, Frank E. Case became associated with the agency and the present name was adopted. Mr. Case remained active for many years. His son, Elwell C. Case, joined the firm in 1932. The elder Case died in 1936. He was a brother of Roscoe Case of Marion, Kan., well known among insurance men nation-wide.

Mr. Smythe entered the business in Grand Rapids, Mich., moved to Seattle to join Northwestern Mutual and for a time operated his own agency. Later he went with D. F. Broderick, Inc., in Seattle, joining West & Wheeler in 1935. He is vice-president of the King County Insurance Association.

W. Ludden Horsfall, for several years a partner in McGraw, Kittinger & Case, has established a new office, known as Pacific Insurance Brokers.

### All Companies in Wash. Agree on Dwelling Losses

OLYMPIA, WASH.—Commissioner Sullivan of Washington announced that all fire insurance companies in the state have adopted a uniform practice in adjustments involving dwelling properties. Losses occurring after Aug. 13 will be adjusted as though the new dwelling and contents forms and new extended coverage endorsement had been endorsed upon the policies, so it will not be necessary to endorse outstanding policies to secure the benefits of the new forms. The Oregon and Idaho Bureaus have also recommended this plan to subscriber companies.

### Big Ore. Flax Mill Loss

The state police arson squad is investigating a \$200,000 fire which destroyed the spinning mill of the Approved Flax

Company at Clear Lake, near Eugene, Ore. Several previous fires have occurred at the plant, which is understood to have been fully insured.

### Plan New Los Angeles By-Laws

LOS ANGELES—The Insurance Exchange of Los Angeles has authorized President W. H. Menn to appoint a special committee to develop a new set of by-laws. The present by-laws were adopted 20 years ago.

It was also decided to file new articles of incorporation, changing the name of the exchange to the Insurance Association of Los Angeles. This change of name was approved by the governing committee and was given the necessary written consent vote of the members.

### Swart Heads Portland Agents

PORTLAND, ORE.—The trustees of the Portland Association of Insurance Agents have elected Harry A. Swart president to succeed Fred E. Jewett. Stanley Boquist is vice-president; Jack Rivenbaugh, secretary and Ferry Smith, treasurer. E. M. Stadel is executive secretary.

Marshall Rankin, special agent of Aetna Fire, will address the Santa Barbara Insurance Association Sept. 12 on "New California Dwelling House Form."

The August dinner meeting of the Insurance Women of Pueblo was attended by several adjusters from Denver. Paul Deeds spoke.

### Sparks Heads Victoria Agents

H. W. Sparks, British Columbia Land & Investment Agency, has been elected president of the Victoria (B. C.) & District Insurance Agents Association. He succeeds Gilbert Fraser, Royal Agencies, Ltd. Vice-president is Cecil May of Van der Vliet, Cabeldu & May, Ltd.



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## EAST

Complete Pa.  
Agents Program

The program has now been completed for the annual meeting of the Pennsylvania Association of Insurance Agents at the Penn-Harris Hotel, Harrisburg, Sept. 12-13. On the afternoon of Sept. 12 there will be a meeting of the executive committee and then a get together dinner followed by a meeting of the directors.

On the morning of Sept. 13, John F. Morgan will give the presidential message. Commissioner Neel of Pennsylvania will give an address and reports followed by discussion will be given by J. W. Barr, chairman committee on fire rates; M. V. V. White, committee on insurance department regulations, and Henry M. Walton, committee on personal property floater.

That afternoon Chairman Herman D. Wolff will report as state national director and Wallace Rodgers, public rela-

tions executive assistant of the National Association of Insurance Agents, will make a talk. William Bishop and J. B. Ladley will discuss legislative matters.

## Baltimore Agency's 50th Year

The Warfield-Dorsey Company, general agent of Aetna Casualty in Baltimore, was 50 years old Sept. 3.

The agency was started by the late Edward E. Steiner and the late Guy T. Warfield, Sr., was an employee. In 1897 Mr. Warfield became a partner and in 1900 Richard P. Dorsey, who is still active in the agency, joined the firm as a partner.

In 1937 when the senior Mr. Warfield died, Mr. Dorsey became president of the company; Guy T. Warfield, Jr., vice-president, and W. C. Clark, secretary-treasurer. Guy T. Warfield, Jr., is very active in the National Association of Insurance Agents and is now serving his second term as a member of its executive committee.

## Warfield Is W. Va. Speaker

Guy T. Warfield, Jr., Baltimore, executive committeeman will represent the National Association of Insurance Agents at the annual meeting of the

West Virginia Association of Insurance Agents in Huntington, Sept. 25.

A tentative program calls for a luncheon and a banquet with discussions of current agency problems.

## Philadelphia Training Course

The Insurance Society of Philadelphia is repeating its training course for agents and brokers beginning Sept. 19. The lectures on Tuesdays and Thursdays, 6 to 8 p.m., prepare students for passing Pennsylvania's department examinations. They will run approximately 15 weeks.

## Maryland Convention Plans

BALTIMORE—Alva P. Weaver, Jr., of Baltimore has been named chairman of the convention committee for the annual meeting of the Maryland Association of Insurance Agents here Nov. 16.

Guy T. Warfield, Jr., and Presley D. Bowen, both of Baltimore, will be in charge of the speaking program.

## NEWS BRIEFS

John A. Diemand, president of North America, has presented an honorary certificate to **Butler's Insurance Office**, Middletown, Conn., in recognition of 58 years of representation.

The agency was established in 1865, by Seth H. Butler. In 1904, A. Leslie Boughton was employed by the agency, and in 1938, he purchased it.

At present, Mr. Boughton's associates are William W. Lawson, his son-in-law, and H. E. Freeman, who is on leave of absence with the armed forces, stationed in Hawaii. Mr. Boughton is secretary of the Middletown Board of Underwriters.

**William L. Dawes** has been elected assistant secretary of J. A. Montgomery, Inc., 75-year old Wilmington brokerage firm. He has been with the firm since 1931, specializing in marine and casualty lines.

## SOUTH

Three Atlanta Courses  
Start This Month

ATLANTA—The Atlanta Insurance Library Association is starting three courses in insurance, according to R. G. Turner, president. The introductory course of four lessons started this week with P. H. Plant, Fire Association; E. M. Seabrook, Commercial Union; John H. Ledbetter, Hartford Fire, and Roy L. Graves, Crum & Forster, as lecturers.

Mr. Plant is in charge of the general principles course which begins Sept. 19. Lecturers are: Wallace Cowan, Jerome

& Cowan; James D. Culpepper, Continental; J. M. Harrison, Royal; Roy Hendee, Commercial Union; Harrison Hines, Crum & Forster; S. W. Kennan, G. Fred Smith and C. M. Stovall, Fireman's Fund; C. H. McKibben, Hartford Fire; R. P. Travis, Southeastern Underwriters Association; Irwin Wooten, Haas & Dodd, and Mrs. Madge Stenger, Irby-McKinney Co.

John H. Dillard, Fireman's Fund, has arranged the course in inland marine which opens Sept. 21 with the following lecturers: Ray W. Boynton, Aetna Fire; Cook Cromwell, Hartford Fire; Clark Ferry, Wm. H. McGee & Co.; Robert W. Grier, Irby-McKinney Co.; Julian Havis, Continental; Carlton Hughes, North America; George May, Appleton & Cox; H. I. Schweppe, Automobile; Manley Stockton, Hartford Fire; H. A. Taylor, Chubb & Son; Fred L. Volberg, A. H. Turner, manager; James J. Wallace, Security, Conn.; and Miss Mary Erwin, Hartford Fire.

Norris on Va. Commission;  
To Supervise Insurance

RICHMOND—Robert O. Norris, Jr., of Lively, Va., has been appointed a member of the Virginia corporation commission and has been given special supervision over insurance matters. He succeeds the late Thomas W. Ozlin. Mr. Norris resigned as a member of the state senate before accepting the post.

As there is some question as to the legality of his appointment because of his membership in the senate, the plan is for Mr. Norris to claim salary for one day. If the state comptroller declines to issue the warrant for his pay, Mr. Norris will then institute mandamus proceedings in the Virginia supreme court of appeals to compel the comptroller to issue the warrant. The appointment, made by Governor Darden, is an interim one. If the validity of the appointment is sustained, Mr. Norris will hold office until the next session of the legislature, which elects members of the commission.

Seek to Recover \$19,205  
from Attorneys-in-Fact

AUSTIN, TEX.—E. F. Dardne and Frank M. Moulton, attorneys-in-fact, Dallas, and Lawyers Lloyds of Texas, their surety on a \$25,000 bond, have been made defendants in a suit filed in district court there, to recover \$19,205 alleged to have been improperly paid in their connection with Allied Underwriters of Dallas, in receivership for a year.

The state insurance commission claims that the two men received \$31,550 in fees but were due only \$17,344 for the year between August, 1939, and August, 1940. The recovery sought represents \$14,205 of the fees and \$5,000 which the state claims was withdrawn from a \$25,000 advance made to Allied Underwriters but which was not, the state asserts, subject to withdrawals.

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FMC High-Pressure research goes steadily on—both at the factory and in the field.

Fires have been put out all over the United States for Army and Navy instructional purposes, and by the hundreds of rigs in civilian use. Also an organized and trained fire department is located at the factory to test the equipment at actual fires. Hundreds of runs have been made.

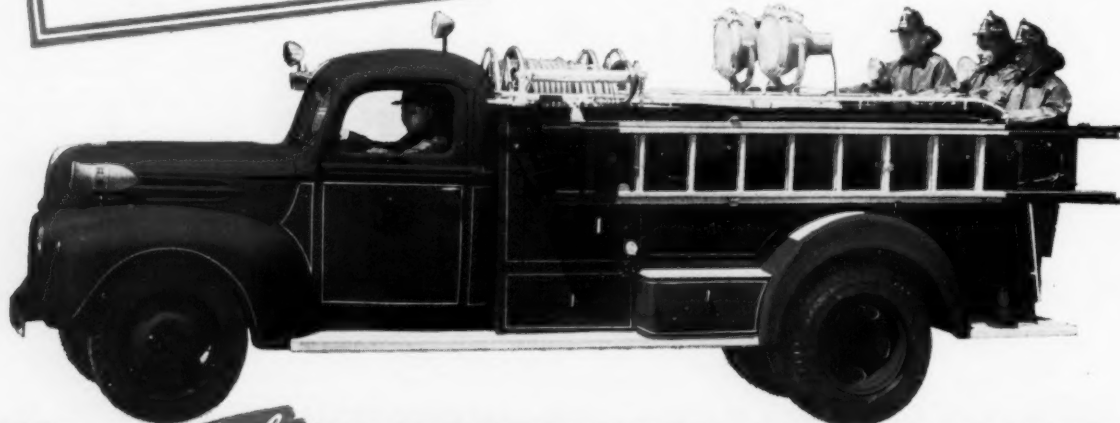
Investigate! Get the facts about this new and revolutionary fire-fighting technique. Right now—the Armed Forces are taking most of the production of FMC High-Pressure Fog Fire Fighters. But—you should be ready to modernize the moment civilian needs can be met. Start planning—now!

**STANDARD FMC FOG FIRE FIGHTER.** A self-contained fire-fighting unit. Carries its own water supply and complete fire-fighting equipment. Takes water from any source through a fine strainer before going into pump. Supplies 2 lines of hose with fire guns discharging 30 gallons per minute per gun at 600 lbs. gun pressure.

## FIRES OF EVERY TYPE

STORES  
FARM HOUSES  
RESIDENCES  
BOATS  
DOCKS  
TRANSFORMERS  
CHICKEN HOUSES  
FOREST FIRES  
GRAIN FIELDS  
FACTORIES  
LUMBER YARDS  
BAKERIES  
RESTAURANTS  
NIGHT CLUBS

SILOS  
BARNs  
GAS STATIONS  
CARS AND TRUCKS  
WAREHOUSES  
BOWLING ALLEYS  
TAR KETTLES  
SAWDUST PILES  
AIRPLANES  
AIRPORT HANGERS  
GAS  
GASOLINE  
GRASS  
and many others



**FMC** *Original* **HIGH-PRESSURE FOG FIRE FIGHTER**

CAN BE MOUNTED ON MOST STANDARD TRUCK CHASSIS  
FOOD MACHINERY CORPORATION

JOHN BEAN MFG. CO., 716 HAZEL ST., LANSING 4, MICH. • BEAN-CUTLER DIVISION, 416 JULIAN ST., SAN JOSE, CALIF.

**BUILDERS OF BEAN HIGH-PRESSURE PUMPS FOR OVER 60 YEARS**